CCIQ

Igniting Customer Centricity

Executive Report on Performance: Metrics, Agents & Operations

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Performance: A Reality Check For Contact Centers

Caring about the customer is a heart-warming endeavor. It is an admirable one. But is there a limit to this notion of customer centricity? Is there a point at which it becomes too idealistic for the world of business?

Functioning as a reality check, the concept of performance management helps provide answers. It views the contact center not simply for what it wants to do but for what it needs to do.

As the greater business has increasingly come to accept the customer experience as a key priority, the contact center has certainly gained more freedom to implement a customer-centric approach to performance management. It has gained more freedom to downplay conventional, cost-oriented metrics in favor of more customer-oriented outcomes, metrics, and objectives.

Citing data from a survey of contact center, customer experience, and operations professionals, ***Call Center IQ's 2016 Executive Report on Performance*** reveals an impending corrective effect.

Contact centers can remain focused on the customer. They can continue to care about understanding what the customer wants. They can continue to care about delivering an experience that meets those demands.

When pursuing those customer-centric endeavors, contact centers cannot, however, completely ignore concerns. Contact center leaders cannot forget that as a function of the greater business, they must ensure people, processes, and technology are combining to truly benefit the business.

Goals like operational efficiency and revenue, downplayed in recent years as contact centers embraced customer satisfaction and loyalty as ends, are re-emerging as paramount priorities. Contact centers are not suddenly expected to dismiss the customer experience, but the customer experience they create needs to drive profitability.

This reality check complicates the already-challenging world of contact center performance management. Today's contact centers know they must be customer centric, and they know strong experiences offer a valuable form of competitive differentiation.

Now, however, they need to ensure that customer centricity and competitive differentiation are leading somewhere. They are not ends. They must be means to a more conventional business end: profitability.

Call Center IQ's report navigates these rough waters. After confirming that business-centric objectives represent priorities for today's contact centers, it reveals how businesses plan to achieve and measure their pursuit of those objectives. It places a particular spotlight on strategies for improving agent engagement and improving interactions, both of which represent paramount contact center elements.

Via the included practicality guide, it then provides insight into real solutions – backed by expert thought leadership and real-world case studies – that can meaningfully improve contact center performance.

Key Findings:

- Operational efficiency is the #1 contact center improvement priority for the next year. Other top priorities include first contact resolution, revenue generation, agent retention, and cost per call.
- While a popular metric, Net Promoter Score is a comparatively low-ranking improvement priority for the next year. Other low-ranking priorities include uptime and reliability, and honoring the customer's channel preference.
- CSAT, FCR, AHT, ASA, and Quality Score are considered essential metrics.
- Self-service utilization rate is viewed as an important metric for the future. While it is not a performance priority, NPS is also considered an important future metric.
- Top strategic initiatives for the next year include interaction analytics, improving desktops and dashboards, improving knowledge management, improving channel integration, and expanding non-phone capabilities.
- Top inhibitors to performance include budget, disharmony across channels and systems, obsolete technology, a lack of customer data, and limited channel capabilities.
- Businesses view the value of the resolution offered, agent knowledge, accuracy, FCR, and customer effort as the most important parts of interactions.
- Employee engagement, training, and employee loyalty are the most urgent investment areas for agent performance and satisfaction.
- Agent analytics and monitoring, knowledge management, and employee engagement will serve as priorities in 6-12 months.
- Knowledge mangement, workforce management, and gamification will be priorities in the 12-24 month window.
- Improving the contact center environment by using tools like sound masking will greatly improve efficiency.
- Efficiency and customer satisfaction can be improved by improving customer and agent analytics.

Methodology And Demographics

Call Center IQ collected data for this report via a survey issued to contact center, customer experience, operations, marketing, and information technology leaders. Data was collected in February, March, April and May.

CCIQ also derived data from a supplemental profile questionnaire issued in conjunction with the forthcoming CCW event.

CCIQ did not restrict participation based on seniority, but the actual sample predominantly consists of managers, directors and vice presidents.

Example job titles include "Director, Customer Care Center," "Assistant Director, Member Services," "Director of Operations," "Senior Vice President, Sales," "Director of Customer Service," "Contact Center Director," "Vice President of Customer Experience," "Manager, Contact Center Quality," "CEO," COO," "VP, Branches and Contact Center," "Executive Vice President," "Call Center Manager," "Director of Consumer Relations," and "Vice President of Member Experience."

Performance Priorities

To truly understand the strategies, initiatives, and technologies businesses will implement in their effort to improve contact center performance, we need an explicit understanding of their priorities. We need to know how much better today's contact centers want to become in achieving a myriad of business-centric and customer-centric outcomes

Over the next year, businesses are most committed to improving contact center efficiency. They rate their desire to improve overall operational efficiency at a 3.77/5.

With a score of 3.74/5, increasing revenue represents the year's #2 performance priority. Improving first contact resolution (#3, 3.70), improving agent retention (#4, 3.54) and reducing cost per call (#5, 3.53) also represent comparatively high-ranking priorities.

Comparatively low-ranking priorities include improving system uptime and reliability (2.87), improving Net Promoter Score (2.94), and more frequently honoring the customer's channel preference (3.05).

This may be labeled the age of customer centricity, but it is clear business outcomes still matter. In labeling efficiency, revenue, and cost reduction key performance priorities, respondents are declaring a desire to improve performance against conventional, business-centric metrics. They want to improve performance against both sides of the income statement, thus resulting in a stronger overall bottom line.

This is not tantamount to suggesting the customer no longer matters. Efficiency improves a business' profitability, but it also leads to better customer experiences. If contact centers can engage customers faster and more productively, they will drive greater levels of satisfaction.

First contact resolution explicitly speaks to this duality: when issues are resolved on the first contact, the businesses reduces support costs, and the customer receives a better experience. Everyone wins!

Cost per call reduction can be a reflection of stronger, more robust multi-channel and self-service options. It can also speak to a more knowledgeable, higher-quality agent experience. Yes, it means more profit for the business, but that profit is not necessarily coming at the expense of the customer experience. It may actually reflect a better experience.

Revenue increases are often directly linked to improvements in the customer experience. Great experiences lead to better acquisition and retention rates, which both drive more revenue. More customer-centric interactions also lead to more upsell and cross-sell opportunities, which also contribute favorably to revenue.

Agent retention is directly connected to the "happy agents = happy customers" adage. A business that can successfully retain its agents is likely doing something to keep those agents happy; those happy, more experienced (and thus more knowledgeable) agents will be able to deliver a stronger customer experience.

While they may not be tantamount to saying the customer no longer matters, the priority objectives are very much confirming that improving business outcomes matters most.

In recent years, Call Center IQ survey data has suggested that improving customer satisfaction is an end in and of itself. A contact center that boosted satisfaction would be considered successful even if it did not drive corresponding increases in revenue or decreases in cost.

This survey does not as vociferously support that conclusion. It argues that contact centers need to start making a positive impact on the actual business.

In fact, the survey actually downplays the desire to improve performance against certain customer-oriented objectives.

Net Promoter Score, which measures customer advocacy (and thus, at least to a degree, accounts for customer loyalty and satisfaction), is the second-lowest ranking performance priority.

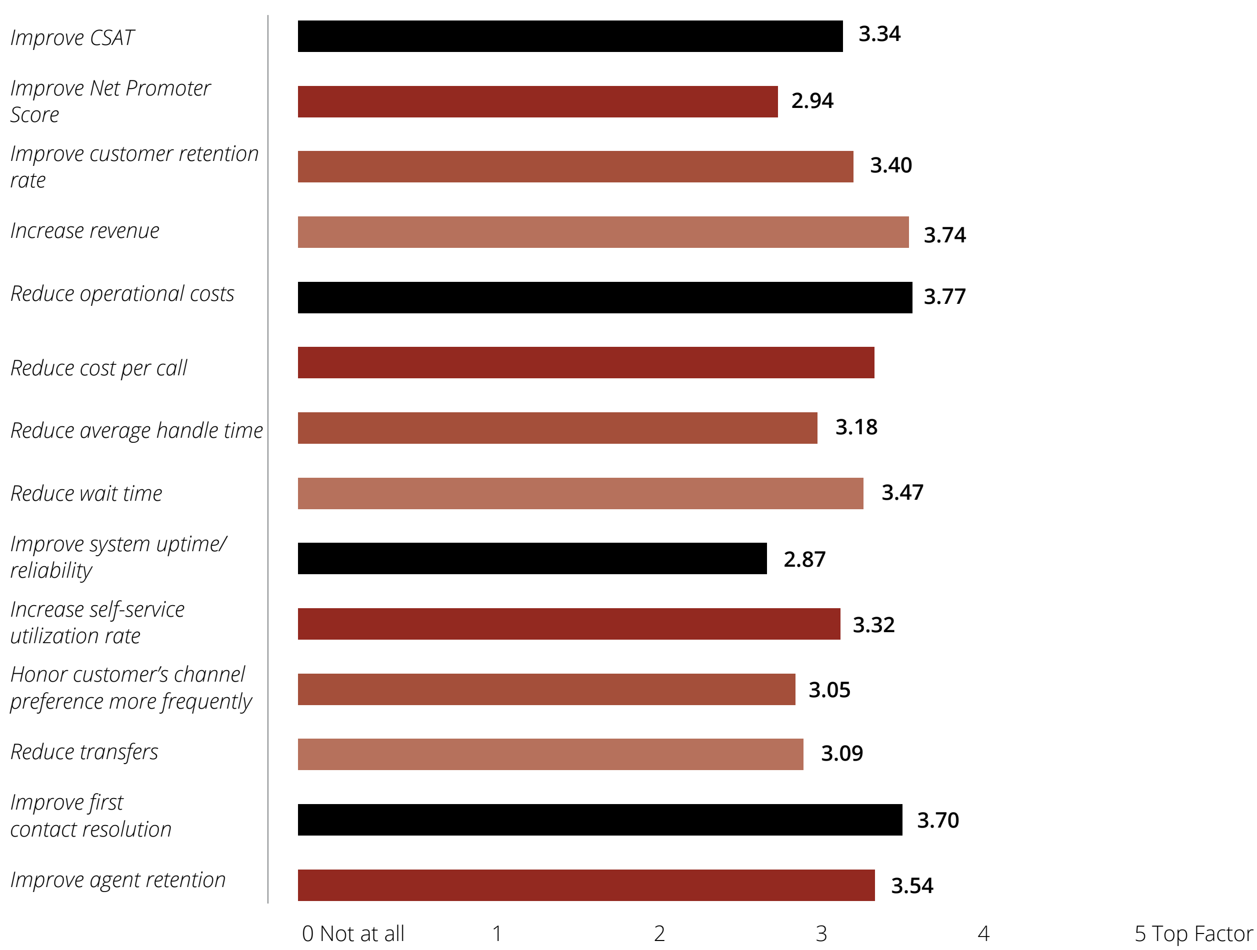
Improving the ability to honor a customer's channel preference, which directly speaks to customer centricity and acceptance of the new omni-channel normal, is the third-lowest ranking performance priority.

Low positioning on the hierarchy is not inherently tantamount to lack of interest in the objective; it may simply reflect contentedness with current performance (rated a 3.75/5 in the status quo, the contact center's ability to generate customer satisfaction, for instance, is considered its best present attribute).

The hierarchy does, however, amplify the overall conclusion: the concept of customer centricity does not exist in a vacuum. It matters, but success in that regard alone is not sufficient.

Over the next year, businesses expect their contact centers to positively impact the bottom line.

How important are these performance objectives for the next year?



Performance Measurement

By identifying their priorities, businesses have revealed what truly matters when devising strategy to improve contact center performance. They have revealed that their greatest aims for the next year involving improving efficiency, revenue generation, first contact resolution and agent retention while decreasing cost per call.

While a business can measure all five priority objectives, it will still require other, more granular metrics. Such metrics will simultaneously assist with day-to-day management and provide detail about how certain functions are contributing to the end goal.

It may be difficult, for instance, to determine how every individual customer experience moment impacts net operational efficiency or total revenue. Leadership can, however, assess how that individual moment impacts the intermediate factors that serve as precursors to efficiency and revenue. Management – and front-line employees – can use that insight to successfully inform and transform behavior and strategy.

The right metrics effectively serve as proxies for key contact center objectives. While not necessarily the desired outcomes themselves, they are directly correlated with the business' more fundamental outcomes.

How a business chooses and chooses to use contact center metrics will thus have a direct impact on its ability to achieve its key performance objectives.

The Essential Metrics

Today's contact centers might be more committed to improving business-oriented factors like operational efficiency and revenue, but they remain very focused on customer satisfaction.

Asked to identify the contact center metrics they see as central to their performance management strategies, respondents most commonly selected CSAT.

First contact resolution was the second-most popular, while average handle time, takes third place. Average speed of answer and quality score tie for fourth.

In addition to measuring the contact center's ability to satisfy customers, which is clearly still a priority (albeit not a top improvement priority), CSAT can be viewed as a proxy for revenue. Revenue generation is one of the top performance priorities for the next year.

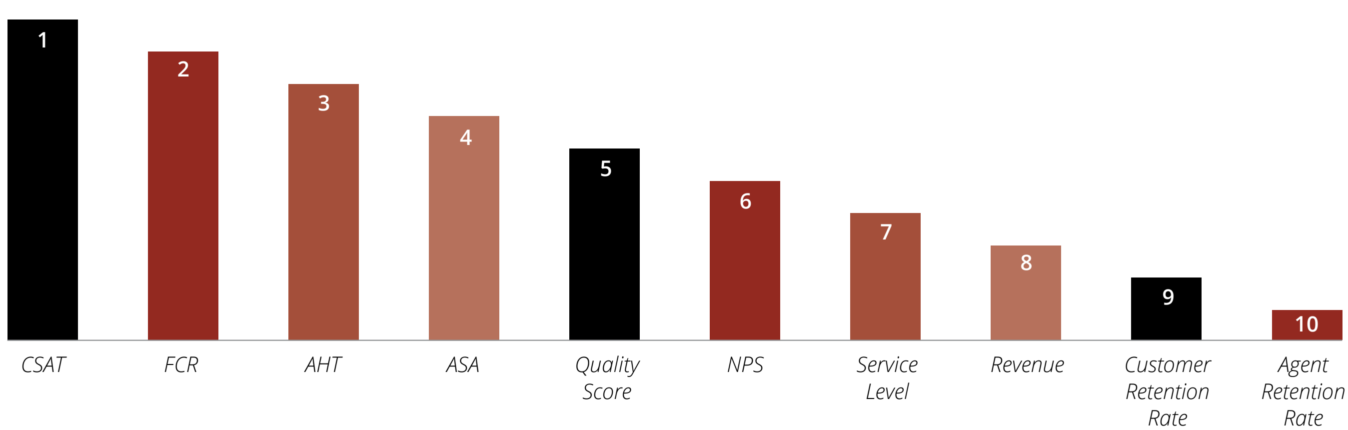
FCR is a top performance priority for today's businesses, so its prominence as a metric is unsurprising. Average handle time and average speed of answer speak directly to priorities like operational efficiency and cost per call.

Quality score speaks to virtually all conceptual performance objectives. Higher quality interactions prevent the costs and inefficiencies associated with problematic interactions. They also create a higher probability of generating a resolution and of generating satisfaction. The former speaks to a direct performance priority, while the latter can be a precursor to retention and market share.

While they do not make the Top 5, Net Promoter Score, service level, and revenue also represent relatively popular metrics.

By identifying NPS as a key metric, respondents are confirming that its status as a low performance priority is more about a lack of urgency to improve NPS than a lack of interest in the metric whatsoever. Service level is another indicator of efficiency as well as the business' ability to successfully engage customers, while revenue is a top performance priority.

Which metrics are most important to your current contact center performance management strategy? (Top 10; ranked in order of importance)



The Must-Have Metrics

While they do not identify it as an imminent performance priority, businesses absolutely recognize self-service as an integral part of today's customer experience landscape.

They, accordingly, want to begin measuring self-service utilization rate.

Asked to identify contact center metrics they see as valuable moving forward, respondents most commonly selected the self-service measurement.

Already one of the most important metrics, FCR will become more valuable and widespread in the future. It ranks second among metrics businesses aspire to add moving forward.

Net Promoter Score, interestingly, takes third. Improving NPS may not be as pressing as driving profit, but measuring advocacy level is definitely important to today's businesses. It is one of the most popular contact center metrics in the status quo, and it is due to become even more common in the near future.

Setting The Strategic Priorities

Perform is a verb. Performance management, accordingly, involves guiding the action a business takes.

We know what today's contact centers hope to achieve. We know how they plan to measure their pursuit of such objectives.

But what will that actual pursuit entail? What will contact centers actually do?

Which strategic initiatives will they most vigorously work to implement?

Asked to explicitly answer the lattermost question, respondents identified improving interaction analytics as the most important strategic initiative for the next year.

Respondents scored their commitment to improving interaction analytics at a 4.00/5.

Other high-priority initiatives include improving agent desktops and dashboards (3.85), improving knowledge management (3.76), improving channel integration (3.76), and expanding non-phone capabilities (3.73).

Comparatively low-priority initiatives include introducing or improving an at-home agent program (2.18), introducing or expanding a customer loyalty program (2.42), and improving agent incentives and bonuses (2.52).

While some elements of the strategic initiative hierarchy are intuitive, others seem to clash with today's biggest performance priorities.

Improving customer analytics, agent desktops and knowledge management, for instance, can positively contribute to several of the priority performance objectives. They can yield quicker, more efficient, more resolute interactions. When operating with additional knowledge about the customer and product, the agent also stands a better chance of driving more revenue from the customer. He is also likely to derive greater satisfaction from his job, which will in turn lead to a greater likelihood of retention.

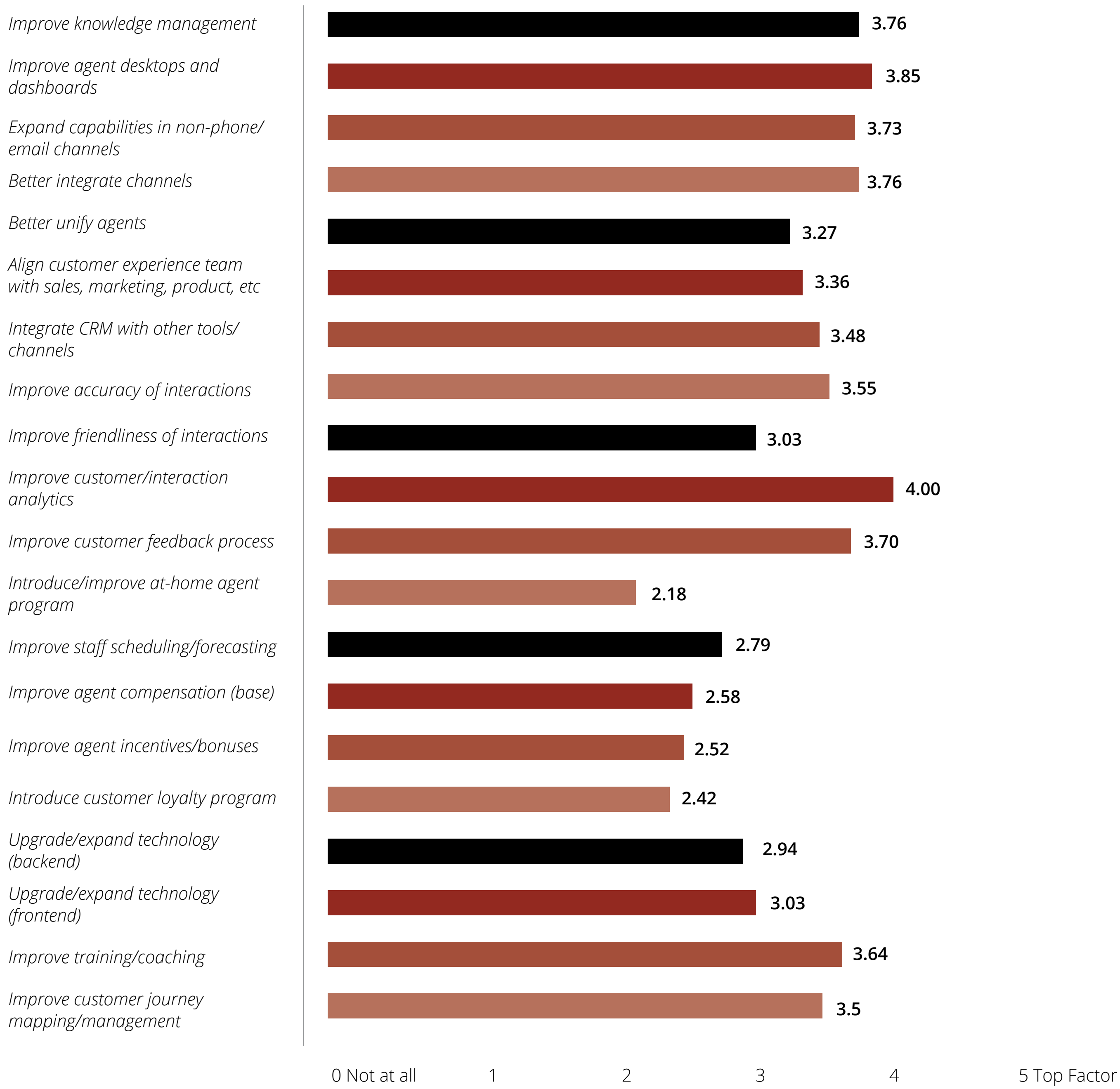
The comparatively high value ascribed to improving channel integration and expanding non-phone capabilities, on the other hand, seems to directly conflict with the comparatively low value placed on honoring the customer's channel preference. While both – particularly expanding non-phone capabilities – can also contribute favorably to areas like cost-per-call and first contact resolution, it is still surprising to see omni-channel initiatives taking precedence among professionals who do not seem enamored with the omni-channel revolution.

The low placement of employee-oriented initiatives like work from home, incentive programs, compensation increases (fourth-lowest) and improved scheduling (fifth-lowest) is unexpected given the high degree of importance placed on agent retention.

Respondents are presumably arguing that factors like improved agent desktops and stronger agent training, both of which rank near the top of the pyramid, will have a more notable impact on agent retention. That may be true.

But if agent retention truly represents a priority, why take the chance that increased work from home opportunities and compensation will not also contribute to greater agent retention? Why risk bottlenecking a paramount contact center objective?

How important are the following strategic initiatives for the next year?



Overcoming The Inhibitors

Consistent with key objectives in some cases and potentially misguided in others, the hierarchy of strategic initiatives nonetheless reflects the actions businesses plan to take. It, moreover, reflects the actions businesses feel they should take in order to succeed.

The process of taking action comes with its own set of challenges. It is far more difficult and demanding than simply flipping a switch.

Most notably, it involves overcoming a variety of inhibitors to success.

Budget, overwhelmingly, represents the greatest such hurdle.

Asked to identify notable inhibitors to the execution of their strategic initiatives, a whopping 76% cited budgetary limitations.

Strategic initiatives require investments, and it is clear today's contact center leaders do not have the requisite financial support, let alone blank checks. The contact center may be perceived as more valuable to the business than it was in eras past, but it is still subject to the dreaded budgetary scrutiny that has long thwarted progress.

In addition to bottlenecking strategic priorities, budget may explain why some initiatives do not rank as priorities. A contact center cognizant of budgetary limitations, for instance, may be forced to rule out increases in agent compensation and rewards despite awareness that they could favorably impact agent satisfaction.

Other notable hurdles include disharmony across channels and systems (30%), antiquated technology (27%), a lack of customer data (27%), and limited channel capabilities (24%).

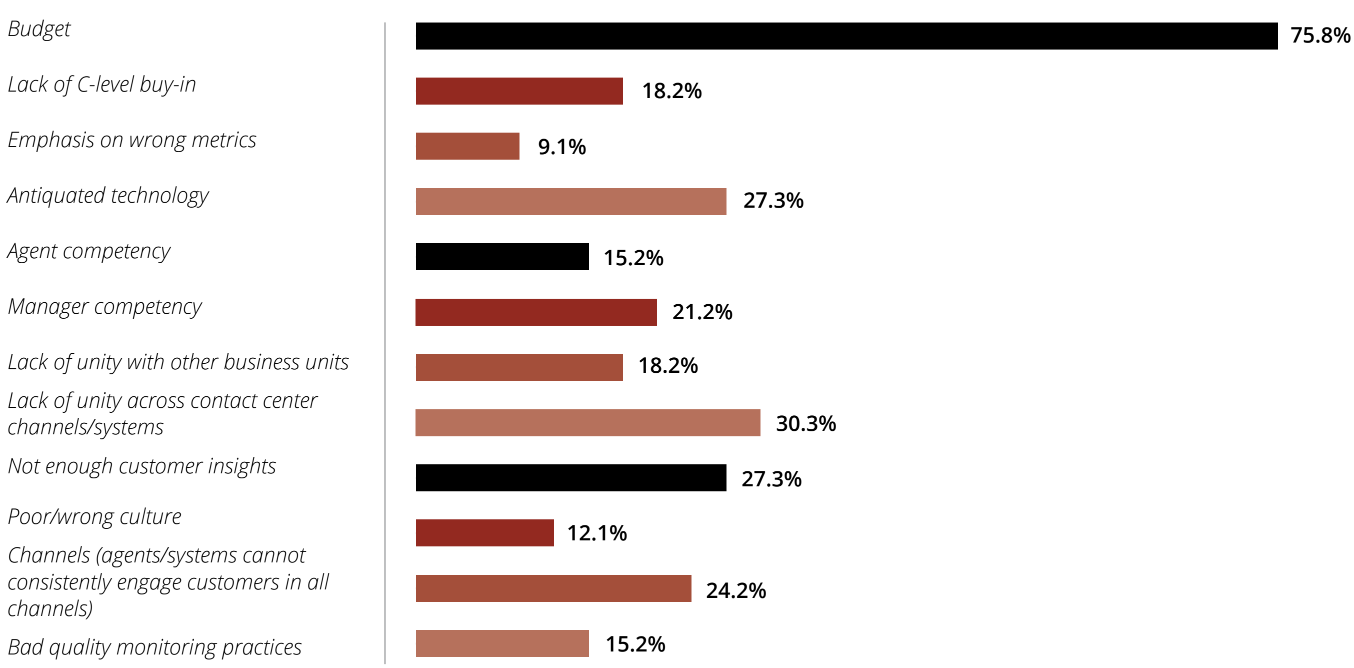
The former two will directly impact the business' ability to generate valuable customer insights, improve desktops, improve knowledge management, and improve channel integration. When the channels and systems cannot speak to each other (and are too dated to acquire that capability), the necessary data cannot flow through the organization.

A steady stream is essential to the success of endeavors like improving knowledge and enhancing desktops and dashboards. It, obviously, is the centerpiece of an integrated channel experience.

Limited channel capabilities exacerbate the problem. If an organization cannot sufficiently engage customers within specific channels, it has no prayer of creating an integrated channel experience. It has no prayer of reducing cost-per-call or improving first contact resolution by successfully serving customers in non-voice channels.

While the initiative to improve customer analytics would directly address the "lack of customer data," the lack of such data will cripple other initiatives for as long as it persists. Without that insight, the business cannot develop the best possible knowledge bases. It cannot develop the best possible scripts and policies. It cannot devise strategies for reducing average handle time. It cannot determine which alternative channels to offer (and how to engage within them).

Which factors inhibit your contact center's performance?



In Focus: Optimizing Interactions

At its core, the contact center is the business' mechanism for interacting with customers. Whether via a live telephone call or one of the many emerging web, social, and mobile channels, the contact center serves as the link between business and customer.

An exploration of contact center performance, therefore, requires an assessment of contact center interactions.

Specifically, it requires identifying which interaction elements businesses most urgently want to improve, which will in turn indicate whether interactions will make a beneficial contribution to the contact center's key objectives.

With a score of 4.13/5, the value of the resolution represents the interaction element today's contact centers are most eager to improve.

Other comparatively significant focuses include improving agent knowledge (4.09), improving the accuracy of the interaction (4.00), increasing first contact resolution (3.88), and reducing customer effort (3.78).

Comparatively insignificant focuses include routing calls based on personality (2.30), offering seamless channel-spanning (3.03), and reducing transfers (3.09).

An undeniable connection exists between the interaction elements businesses most hope to improve and the overarching performance objectives they most hope to achieve.

First contact resolution is a both a top performance objective and a top interaction objective. Since higher-value resolutions have a greater chance of gaining acceptance from customers, increasing the value of resolutions offered will also yield better first contact resolution.

More knowledgeable, accurate, effortless interactions will likely be more efficient. They are also more likely to drive revenue, both directly (via upsell opportunities) and indirectly (by leading to greater satisfaction, thus greater retention, thus more future revenue opportunities).

The comparatively unimportant interaction elements are not necessarily unrelated to key performance objectives, but their positioning makes sense.

Personality-based routing can certainly enhance the experience, but it seems superfluous for contact centers that are more concerned about quick, effortless, accurate interactions. The connection is a bonus rather than a necessity.

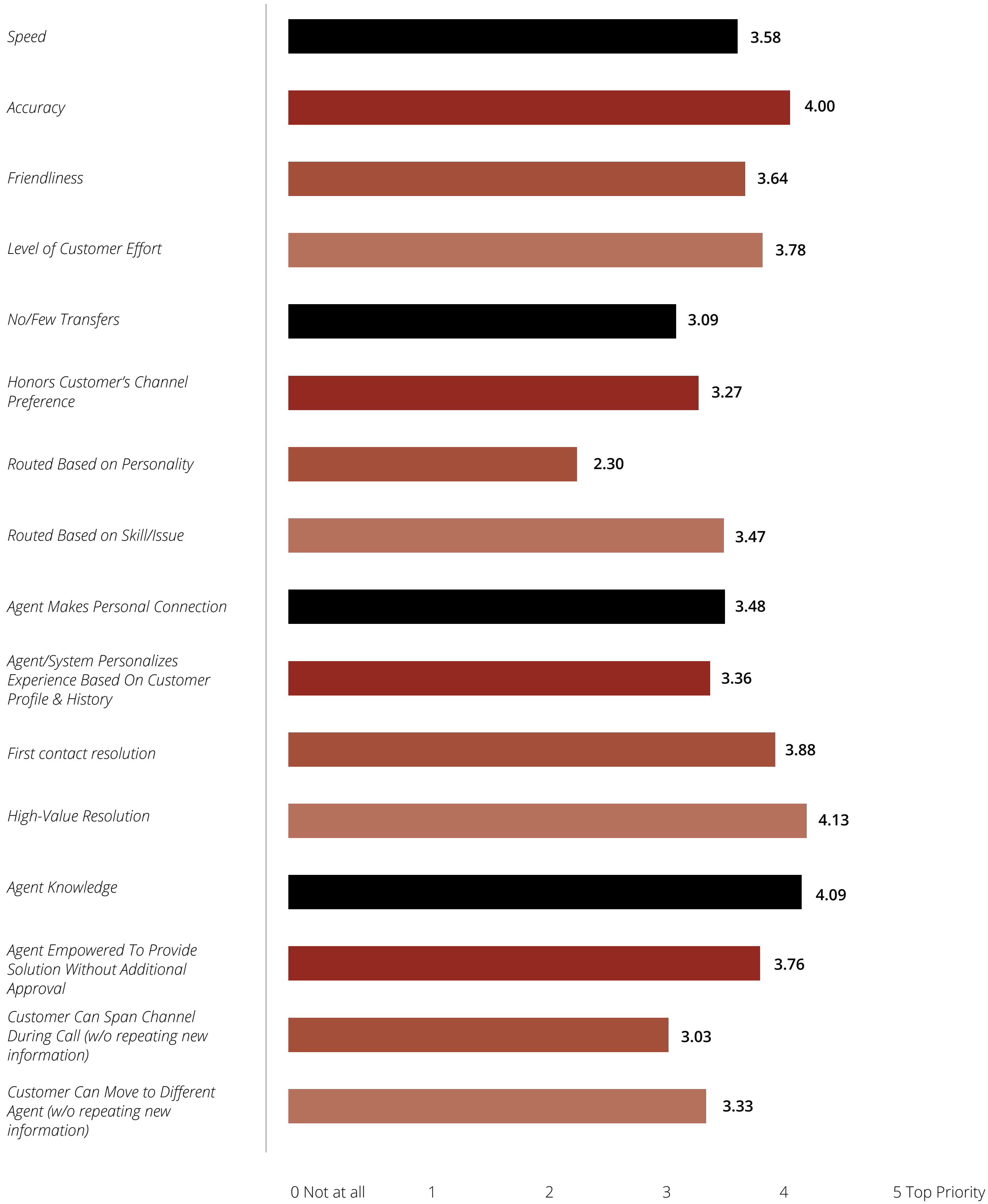
Since they view honoring a customer's channel preference as less important than offering a great experience within the channels the business does offer, respondents likely saw channel-spanning as a superfluous objective. Instead of focusing on what happens when the customer tries to change channels, they would rather do everything they can to prevent the customer from wanting or needing to leave the original channel.

The comparatively low score for limiting transfers may be connected to the high value afforded to first contact resolution.

If the business believes only the initial agent-customer conversation counts as the "first contact," an effort to improve first contact resolution would naturally result in a reduction in transfers. Respondents would not need to separately articulate the desire to limit transfers.

Alternatively, if organizations believe the "first contact" can encompass multiple channels and agents – the "first contact resolution" simply means the problem was solved without the customer needing to reinitiate engagement at a later date – limiting transfers could actually be detrimental to the effort. In some cases, transferring a customer from a "gatekeeper" agent to a specialized or authoritative one or from a low-touch channel to a high-touch channel is the best possible way of attaining a resolution.

How committed are you to improving the following interaction elements?



In Focus: Addressing The Agents

If interactions are a pivotal component of the contact center, then so too are the agents who oversee those interactions. Their ability to deliver the key ingredients of an effective interaction directly impacts the quality of that interaction. It directly impacts the business' success in engaging customers and achieving its paramount objectives.

One of those paramount objectives is agent retention, therefore amplifying the importance of agent strategy. Organizations are not simply demanding optimal performance from agents; they are also devising strategies to keep agents engaged, satisfied, and committed to the brand.

Agents must perform best for the business, and businesses must perform best for its agents.

In the status quo, the respective entities are delivering decent but not great performance.

When it comes to agent performance, respondents rate the quality of agent-assisted service at a 3.18/5. They score agent productivity at 3.13/5.

Agent satisfaction, moreover, is scored at a 3.39/5.

Both sides – what the agent does for the business and what the business does for the agent – can be improved.

Impact Of Strategic Initiatives

Several of the high-priority strategic initiatives will directly improve agent performance.

Improving customer analytics, for instance, will provide agents with a greater sense of who its customers are, how they feel, and what they want. Agents can use that information to provide more productive, more personalized engagement.

Supervisors, moreover, can use improved customer insights to optimize training and coaching.

Improved agent desktop, dashboard, and knowledge management solutions also empower agents within the interaction. With better visibility into what needs to be done and how they can do it, agents will provide greater – and more immediate – satisfaction for customers.

While not in the top five, other relatively high ranking priorities like improved coaching and training and improved CRM integration intuitively suggest a resulting impact in agent performance.

Agent-Specific Investments

In addition to assessing a broad palette of strategic initiatives (some of which directly overlap with agent performance and satisfaction), respondents also assessed the urgency of numerous agent-specific investments. They were asked to determine whether the specific investment is best described as an urgent priority, a priority for the next 6-12 months, a priority for the next 12-24 months, or a non-priority.

Some carry direct ramifications for agent performance. Others speak to the business' ability to generate agent satisfaction.

Urgent Priorities

Identified as an urgent priority by 41% of businesses, employee engagement represents the most notable immediate term priority. Training follows as an urgent priority for 39%, while employee loyalty (36%), culture (35%), and retention strategies (34%) are also on the immediate radar.

Four of the five directly speak to agent satisfaction, which corresponds with business' comparatively great desire to improve agent retention over the next year. Businesses are not simply hoping they retain a greater percentage of agents this year; they are committed to creating an environment that makes agents want to stay.

Improving training is more overtly linked to agent performance, although it can still have a positive impact on agent retention. If agents are more satisfied with the training they receive – both in terms of the quality of their interactions with trainers and the level of skill development – they are more likely to stay.

The culture-oriented initiatives, similarly, can have a positive impact on performance. By creating a better, more engaging environment, the business puts agents in a better position to excel when interacting with customers. They will be happier, more supportive of the brand, and more eager to collaborate with their peers. All result in a better customer experience.

Late-Year Priorities

Agent analytics and monitoring investments will be the highest-ranking priority in the latter half of the year. 23% of businesses say they plan to focus on analytics and monitoring in the next 6-12 months.

Other key focuses for that window include knowledge management (22%), employee engagement (19%), training (19%), and gamification (17%).

Analytics and monitoring and knowledge management overtly speak to performance. The former should simultaneously improve measuring and the ability to more astutely coach and train agents for future interactions, while the latter will empower agents to perform better, more knowledgeably, and more effectively within interactions.

By again positioning employee engagement and training atop the pyramid, respondents underscore their importance. The clear majority of businesses feel it is imperative to tackle these areas within the next twelve months.

Gamification is truly geared toward both agent-centric objectives. It leverages a fun, engaging platform to boost performance. If selected and implemented correctly, a gamification solution will thus impact agent productivity and satisfaction.

Next Year's Priorities

Many of the agent-oriented investments rank as priorities within the immediate and near terms; only a handful of businesses plan to wait until the next 12-24 months to begin prioritizing such investments.

The investment area set to be on the radar for the greatest handful of businesses is knowledge management. 11% will prioritize the solution category next year.

Other comparatively high ranking focuses for the 12-24 month period include workforce management (10%), gamification (10%), training (9%), and culture (9%).

A top-ranking priority for all three timeframes, training is clearly a focus for many of today's businesses. The only question is when those businesses will most notably work to improve training.

Knowledge management ranks fairly well in the more immediate timeframes, indicating that it, too, is something of a perpetual focus for businesses. The same applies to workforce management.

Gamification is somewhat off the radar in the immediate term, but it is comparatively high ranking for the 6-12 and 12-24 month windows suggests that it is where a sizable chunk of businesses are headed.

Culture, interestingly, scores comparatively well in the immediate and longer-terms but comparatively poorly in the intermediate term.

Non-Priorities

On an overarching basis, agent performance and satisfaction represent key objectives for businesses.

Not all specific agent initiatives, however, will register as priorities for all businesses over the next two years.

While gamification ranks as a comparatively high priority for the 6-12 and 12-24 month periods, it is off the radar for a majority of businesses. 51% say they will not prioritize gamification over the next two years.

50% say the same about recruiting, while 44% have no plans to prominently address culture in the next two years. Workforce management (42%) and retention strategies (42%) also rank as non-priorities for a substantial degree of businesses.

It is worth noting that declining to consider an investment area a priority is not the same as calling it unimportant. In some cases, businesses may already be content with their existing solutions and strategies.

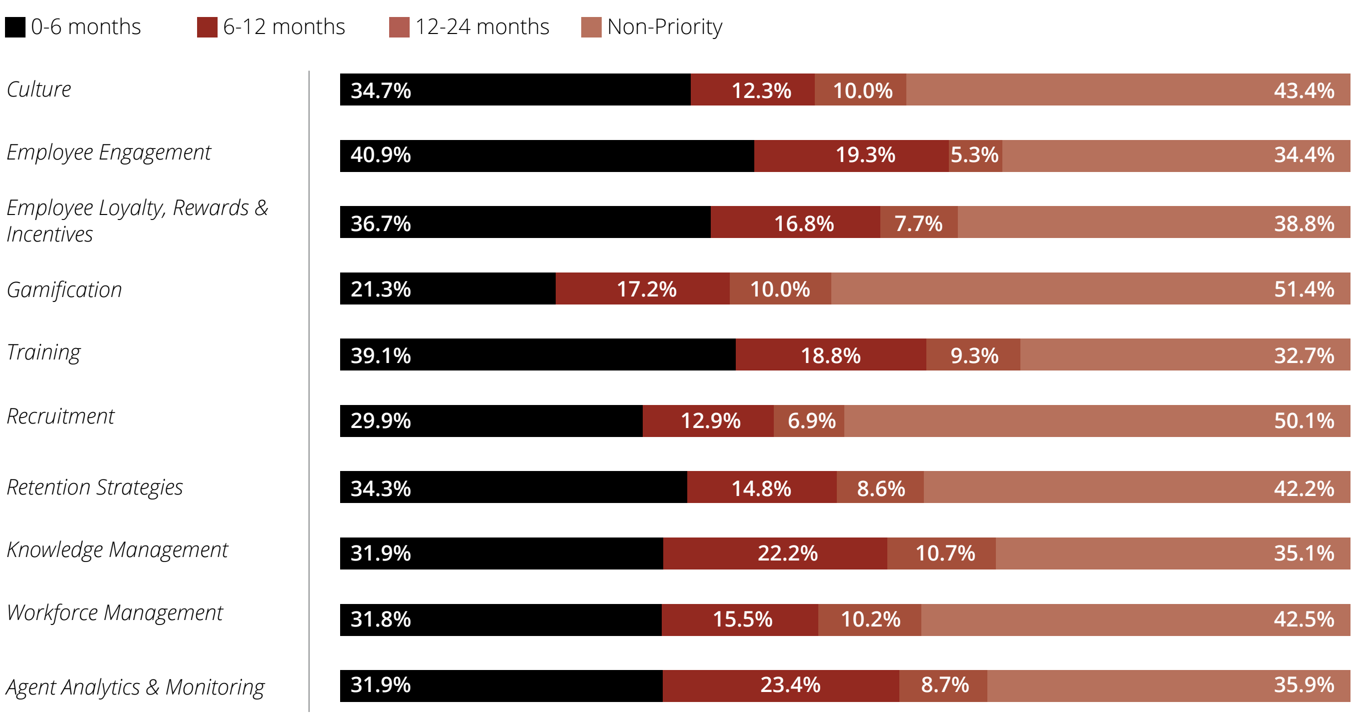
Recruiting, for instance, is a fundamental task. Businesses obviously will recruit agents over the next two years, so the lack of prioritization speaks to a lack of concrete plans for transformation rather than a lack of interest whatsoever. The same applies to culture.

Given that it is a newer, less fundamental solution, gamification may not benefit from the same logic. In its case, it is likely that a substantial portion of the 51% are not using gamification. By declining to call it a priority, they may very well be declaring a lack of interest.

Workforce management is also a technological solution, but it is more fundamental to the operation.

Agent retention ranks as a fundamental performance focus, which makes its high positioning on the non-priority list very surprising. Businesses obviously want to improve agent retention by virtue of their interest in employee engagement and loyalty, so it is possible the positioning is a product of semantics: respondents not understanding, or not overtly seeking, a category of investments known as "retention solutions."

When will the following agent-centric endeavors represent a priority for your organization?



Practicality Guide

The concept of customer centricity did not emerge by accident. Recognizing business-oriented concerns like revenue and cost containment as top priorities does not change that fact.

What it does do is reiterate the importance of viewing business and customer-oriented goals in tandem. The customer still matters, but so does the business.

Because business-centric and customer-centric objectives have often been perceived as oppositional, the idea of achieving both may seem daunting.

Our included practicality guide will help mitigate those concerns. It reveals solutions, backed by research, expert thought leadership, and real-world case studies, that can help your contact simultaneously deliver for the customer and for the business.

cambridge SOUND MANAGEMENT

Eliminate Contact Center Interference, Improve Contact Center Performance

In so often treating the contact center as an abstract concept or a strategy, many forget that it is an actual environment. It is not simply the division of the business that focuses on customer engagement; it is the physical place in which that engagement occurs.

Interestingly, recognizing the contact center as a physical environment – and conquering the challenges and seizing the opportunities that exist within those walls – is one of the most effective means of boosting customer engagement strategy.

It is one of the most effective means of improving the organization's ability to simultaneously satisfy customers and achieve key organizational objectives.

Optimizing the physical contact center atmosphere has particular relevance in light of Call Center IQ's research that business-oriented objectives – including operational efficiency and cost-per-call reduction – represent the most pressing performance priorities. The physical hindrances agents and supervisors face on a daily basis directly lead to inefficiencies, higher costs and missed revenue opportunities. They directly impede the contact center's ability to make a positive impact on the bottom line.

As business leaders seek tools, technologies, and strategies that can help in their pursuit of excellence, they will want to pay special attention to solutions that improve the actual workspace. These solutions will result in an environment that yields more productive, more efficient, more satisfied agents who are capable of creating more engaging, more satisfying, more meaningful customer experiences.

One such solution is sound masking. Instrumental in making interactions more efficient and more customer-centric, the technology will result in a better contact center environment – and a more valuable contact center function.

Sounds Like Inefficiency

A contact center can have the right CRM system, the right agent desktop, the right script, the right metrics, and the right attitude about customer-centricity, but if it does not create an environment in which agents best leverage those assets when engaging customers, it will succumb to inefficiencies and create unsatisfying experiences.

Speech distraction is one of the greatest challenges facing the contact center environment.

Today's contact centers generally adhere to an open floor plan; agent workstations are arranged in tight, 4ftx4ft spaces with short partitions that lack acoustic blocking and absorption. While efficient from cost standpoint and helpful in allowing managers to readily monitor the entire team, this type of environment is very vulnerable to noise disruption. Agents and their calls are not shielded from the other calls taking place on the floor, and if those conversations are intelligible – as ones in close proximity will be – they create a particularly burdensome form of distraction.

There are some direct consequences.

First, **this environment reduces the operational efficiency of the contact center.**

"It's beneficial that the customer receive their issue resolved in the quickest amount of time possible so that they can get on with their day," explains Christopher Calisi of Cambridge Sound Management. "Handling calls efficiently and productively obviously benefits stakeholders at the call center as well."

For this to happen, agents must be able to interact with customers free of interruptions and speech distractions.

Not simply supported by common sense, this assertion is also backed by empirical data.

"In a recent study presented to the International Congress of Noise as a Public Health Problem, researchers found that on average employees wasted 21.5 minutes per day due to conversational distractions, making lack of speech privacy the number one cause of reduced productivity," adds Calisi. "An additional 2014 Steelcase/Ipsos study found that employees lost as much as 86 minutes per day due to speech distractions.

"These problems are particularly acute in call center environments, where small workstations with lots of people on the phone are typical."

Today's businesses declare improving operational efficiency to be the number one contact center performance priority. Speech distraction is a major impediment to that goal.

It additionally has an adverse impact on the **customer's experience.**

Obviously, a distracted, inefficient agent is ill-equipped to deliver the best possible interaction experience. That, alone, will come at the expense of the customer's satisfaction.

The impact of noise pollution and speech distractions run deeper. Excessive, distracting background noise paints an unflattering picture of the contact center. It suggests a machine-like environment in which tens, hundreds or even thousands of robotic agents are impersonally supporting the customers who call. It sends the message that the customer is a "number" – one of many faceless individuals receiving support rather than someone the business sees as a high-priority.

However accurate in reality, that portrait is not customer-centric. It is not one that a business, cognizant of the fact that customer experience now represents a paramount differentiator, should communicate to its customers.

It is also important to remember that speech distraction is a two-way street. If one agent is being distracted by noise overflow from other calls, it is almost certain that his conversation is serving to distract other employees.

If so, it is likely that the content of the agent's conversation is also making its way to other parts of the office. That further hurts the customer experience.

In the best case scenario, it fails to satisfy the customer's expectation for a private, personal interaction with an agent committed to providing support. It causes the customer to lose trust in the business.

In the worst case scenario, the freeflow of speech is a compliance or regulatory violation. Certain businesses, such as those in healthcare and financial services, are required to protect the privacy of customer data. They cannot faithfully honor that imperative if they cannot prevent customer interactions from reaching other agents and/or other customers, the latter of whom are not even monitored by the business or bound by any sort of non-disclosure agreement.

Speech distraction also has a deleterious impact on agent satisfaction, another relevant performance objective for today's contact centers. In addition to making the contact center agent's job more difficult, an environment overrun by disruptive conversation is simply not a pleasant one in which to work. Contact center agents do not anticipate having their own private office, but they will surely derive happiness from one that at least offers them something approximating a personal comfort zone.

Understanding Sound Masking

Whether due to the empirical research, the analysis, or first-hand exposure to noise in the contact center environment, one will doubtfully struggle to understand the operational costs associated with speech distraction. He will doubtfully struggle to recognize the problem.

What is his solution?

Sound masking is the answer.

It is important to note that sound masking is not a form of sorcery. It does not make all noise disappear.

Its aim is to make background noise unintelligible, and thus far less likely to cause the distractions that produce inefficiencies and dissatisfying experiences.

QtPro, a sound masking solution developed by Cambridge Sound Management, achieves this goal by actually introducing sound into the environment.

"Adding sound to a space actually makes the space seem quieter," explains Calisi. "It sounds counter-intuitive, but it's true. This is because the added sound reduces the intelligibility of human speech.

"When you can't understand what someone is saying, their words are less distracting — in fact, you probably don't even notice them."

The solution's aim is to reduce the area – dubbed a "radius of distraction" – in which conversation is intelligible. The smaller the area, the greater the likelihood that the agent's call will be free of distraction from other conversations.

In an open contact center environment, the radius can be as large as 100 feet. QtPro can reduce that radius to 15 feet.

Sound masking is not a new technology, but QtPro offers advantages over previous iterations.

Early versions of sound masking relied on an indirect model. Upward-facing speakers were installed above the ceiling tiles; they sent soundwaves toward the ceiling deck, which then reverberated back down through the ceiling and onto the office floor. While effective in some cases, the "mask" created can be unpredictable. It also tends to create "hot" and "cold" spots, thus limiting the scope of impact.

QtPro is a direct form of sound masking; it disperses a sound directly into the workspace. The resulting effect is consistent throughout the center.

QtPro also offers a usability advantage. While many indirect sound masking solutions require time consuming post-install tuning and calibration due to interfering objects above the tiles, the Cambridge solution is very easy to commission due to the fact that the only thing between the signal and the listener is air.

A Pathway To Improved Performance

By directly eliminating a barrier to operational efficiency, customer experience quality, and agent satisfaction, sound masking drives the kind of performance that matters most to today's businesses. It is not simply a vanity or bonus offering like so many technology "solutions" – it is a direct pathway to success.

It improves operational efficiency: Speech *distraction*. The second word in that phrase speaks to the harm; it prevents agents from properly focusing on their interactions. It prevents agents and customers from optimally communicating and understanding each other. The result is an increase in handle time, and a decrease in the agent's productivity. Sound masking directly confronts this consequence. By eliminating this massive source of disruption, it enables the agent to more quickly – and more successfully – handle each interaction. It improves efficiency, thus contributing toward the #1 contact center performance priority.

It improves accuracy and quality: Studies confirm that agents' ability to recall a sequence of numbers improves by 8.7% in a sound-masked environment. Their word recollection improves by 7.8%. Agents can better hear and focus, which means they can better understand. They will have a better sense of the customer to whom they are speaking and the issue they are meant to address. They will accordingly be able to respond with more astute, personalized, relevant support and information – and they will be able to do so more quickly and painlessly. Calls will be more effective in addition to being more efficient.

It improves privacy: A 2006-2008 study confirmed that sound masking increases the privacy of speech by 35-90%. In addition to presenting perception and reputational benefits, the increased privacy outright improves a business' ability to meet regulatory demands for data protection.

It improves the agent experience: Free of distractions, agents can focus on their calls. They can more productively and less stressfully interact with customers. They also enjoy their environment without being constantly plagued by speech distraction and a particularly disruptive breed of noise pollution. All lead to a key conclusion: the agent will be more satisfied and thus more loyal to the business. Such agents will perform better by virtue of being happier ("happy agents = happy customers") and by virtue of their lengthier tenure, which ensures more knowledge about the business, its products, and its customers.

It improves the customer experience: A solution for the contact center and its agents rather than the customer, sound masking is not directly marketed as a gateway to more customer satisfaction. That does not mean it will not achieve that goal. When agents are able to focus and act as efficiently and accurately as possible, they can deliver a better customer experience. When customers feel as if they are truly being heard – and perhaps even speaking to an agent in a private office – they feel more valued and less stressed. The end result is a better, more satisfying experience.

Realizing The Improvement

In promising improvement to operational efficiency, contact quality, speech privacy, agent satisfaction, and customer satisfaction, sound masking represents a theoretical game changer for contact centers. It is not a low-impact solution that offers a low-impact answer to a low-impact challenge; it is a means of achieving the most important contact center performance objectives.

It is a means of leveraging the contact center environment to achieve what is desired of the contact center function.

Impressive in theory, these benefits are confirmed in practice. Numerous businesses, including some high-profile brands, confirm that QtPro sound masking creates a better, more productive, more harmonious contact center environment.

Amica Mutual Insurance Company Success Story

Ensuring that conversations are private, personable, and free of distractions is imperative for a brand like Amica, which prides itself on its stellar customer service reputation. Prior to sound masking, the environment was not living up to the needed standard. Field service officers, in fact, reported that even conversations being held in private officers were intelligible to – and thus distracting to – those on the open floor.

"We installed QtPro in two of our branches years ago to cut down on overheard cross-talk, and also to prevent conversations in private offices from being heard in the open-office area. We've been so impressed with the results that QtPro is now installed every time we renovate or relocate a branch. It's now in most of our locations," touts Ron Rivet, Amica's network operations section manager.

Bank of America Success Story

QtPro sound masking is not a flamboyant, conspicuous solution – its goal, in fact, is to have the opposite effect. It wants to remove distractions from the work environment and empower agents to productively focus on their interactions.

Some of the best feedback the product can receive, therefore, involves agents not discussing the surrounding noise environment. If noise becomes a non-issue, the solution has done its job.

That is the case at Bank of America's national helpline call center, where agents can focus on satisfying customers in a quiet, pleasant environment free of distractions.

When pressed, they confirm that they can better concentrate and that the masking technology creates the sense of a quiet office, which in turn allows them to focus more on their own voices and calls.

Summa Health Systems Success Story

HIPAA creates a need for privacy when interacting with patients. For Summa Health Systems, sound masking is therefore not merely a ticket to better contact center efficiency – it is a necessity for compliance. QtPro helps immensely in that goal.

That is not to say, however, that it does not impact agent performance. Agents and the business are actually very satisfied with their improved ability to engage customers, and a content Summa Health has been accordingly implementing sound masking in other parts of the hospital.

CALABRIO

Don't Guess: Your Customers & Agents Have The Answers

You can call it a blessing and a curse. You can call it an opportunity and a burden. Either way, the reality is abundantly clear: as the business has come to increasingly value the contact center as a vital part of its business, it has also come to increasingly demand that the contact center deliver value.

Organizations are not simply appreciating the contact center for the contact center's sake; they are doing so because they know the contact center – by virtue of its role in engaging customers – can make a fundamental impact on the business and its bottom line.

We see that in the data for Call Center IQ's executive report. Today's organizations define increased efficiency, reduced costs, increased revenue, increased first contact resolution, and increased agent retention as paramount performance priorities. They expect contact center strategy to drive a better customer experience, a better agent experience and, most importantly, a better business.

The importance of that task removes any room for error, complacency, or underperformance. It makes guesswork unacceptable.

Contact center leaders cannot simply develop strategies that they think may possibly help achieve the key performance goals; they must implement strategies and manage people, processes, and technology in a way that ensures strong performance.

Luckily, they do not need to rely on guesswork and speculation. Their customers and agents – and the interactions between those customers and agents – already hold the answers.

The focus must be on tapping into those insights and then leveraging them to create a contact center experience that best serves the customers and the business.

What They Want: Basics vs. Nuances

Across an endless array of blogs, articles, research reports, and event presentations, thought leaders and analysts have provided a broad sense of what customers want when interacting with agents. They have, similarly, provided insight into what agents require in order to be productive and engaged in their jobs.

Today's customers seek an effortless, personalized, predictive, and proactive customer experience. They want to deal with a business that knows them – and uses that knowledge to create efficient, effective experiences that are geared to the specific customers and the specific contexts of their issues.

"Customers want a seamless experience across channels," adds Brad Snedeker of Calabrio. "They want to be able to start on a company's website, engage with the contact center via chat, and then pick up that conversation on the phone without having to explain the problem all over again."

As underscored by the responses to Call Center IQ's survey, customers are also demanding accurate interactions that result in high-quality resolutions on the first contact. They do not want to be steered off course or forced to settle for an undesirable or unsuitable outcome; they want a direct, effortless ticket to the right answer.

In order to successfully meet these demands, agents require the appropriate tools and visibility. They need a complete, 360-degree view into the customer's journey with the business. They also require instant, effortless access to knowledge and seamless connectivity to the teammates and supervisors with whom they may need to collaborate.

Performance directives must be clear (and customer-centric), and performance data must be transparent. Coaching should be personalized based on the agent's individual needs, strengths and weaknesses and tailored to the reality of the business and its customers. Training must be based on what customers actually want and expect rather than what contact center convention suggests they may anticipate.

The environment must be hospitable and harmonious. Agents should feel comfortable and valued in the contact center. They should have full faith that the business wants them to not only succeed but be happy while doing so. Agent feedback – whether about the engagement process or about the environment – should always be welcome.

While these represent universal, high-level customer and agent expectations, it is important to note that a successful contact center operation also requires granular intelligence. It requires clear insight into the specific sentiments and behaviors of the customer base. In which channels do they want to be engaged? Which products tend to cause the most confusion or hassle? What kind of agent demeanor do they prefer? Do they prefer intimate, "strategic" calls or quick, transactional ones?

The same applies on the agent side. Where do agents tend to struggle when it comes to the customer interaction? Are specific agents better suited for specific issues or customers? When – and in which channels and in regard to which products – does interaction volume tend to spike?

A successful contact center operation must account for these nuanced needs in addition to the more fundamental, basic expectations. In order to operate as effectively and efficiently as possible, a contact center must constantly focus on both needs. To do so, it requires an array of relevant, actionable, granular insights.

In fact, those granular insights are required for the basic needs as well as the nuanced ones. On an abstract basis, today's customers are demanding low-effort experiences that are tailored to their present and future needs. Agents demand an environment that motivates and empowers them to meet customer needs.

A business cannot reduce effort if it does not have a true picture of where interactions create hassle. It cannot personalize the experience if it does not have a complete view of its customers. It cannot predict and proactively meet customer needs if it does not have insight into their journeys.

It, meanwhile, cannot create the desired agent experience if it does not provide them with the requisite customer view, properly monitor and manage their performance, remove siloes between departments and channels, understand challenges in the work environment, and have agent insights to use in coaching.

To act without that insight would be to guess. Guesswork is not acceptable.

The insight exists; contact centers must figure how to find and leverage it.

Analyze, Connect, Engage: Adding Certainty To The Experience

When determining what customers want, whether interactions are successful, where agents are struggling, and where workflow is hitting bottlenecks, the contact center can draw from real-time, real-world intelligence. They can base their decisions not on blogs or thought leadership presentations but on an unequivocal understanding of their actual customer experience.

Those that create the operational efficiency, cost reduction, revenue generation, resolute interactions, and agent and customer satisfaction being demanded of today's contact centers. They can achieve these goals even as the customer management landscape introduces new challenges.

Contact centers that do not gather the requisite insights fall victim to these challenges. They fail to achieve the necessary performance objectives. They do not live up to the trust, value and improved perception they have received from business leaders.

Calabrio develops analytics and engagement tools that draw insights from all facets of the contact center. They give businesses a window into how customers, agents and systems are performing, while simultaneously empowering the contact center to use these insights when seeking improvement.

Market Challenges:

"Customer centricity" requires access to the voice of the customer. "Agent centricity" requires access to granular performance insights

Contact Center Impact: Contact centers, inherently, have no means of uncovering the voice of the customer. They can rely on general marketplace trends or on limited survey and qualitative feedback data, but they do not automatically have the kind of real-time, granular insight needed to improve the experience.

Contact Center Solution: Interaction analytics and quality monitoring enable the business to more accurately understand customer behavior and sentiment as well as assess interactions, agent performance, and the overall efficacy of the contact center operation.

Calabrio has also introduced a predictive NPS capability, that can leverage machine learning algorithms to predict how each interaction impacts the advocacy level.

Outcome: The organization can address and remedy any pain points. It can also tailor its experience – both on an abstract and per-customer level – to real customer needs. It can simultaneously improve efficiency and drive more satisfaction (and, in turn, revenue), thus positively impacting both sides of the income statement.

The predictive NPS capability serves as a quality and sanity check. Instead of operating in accordance with a pre-determined script and hoping it is connecting with customers, the organization can assess the sentiment of the interaction. It can address problems before they become bigger problems.

Obsolete systems

Contact Center Impact: When it comes to usability and functionality, antiquated technology lacks integration capability with other systems. This will prevent the business from properly gathering and sharing relevant data. It will also prevent agents from being able to optimally serve customers throughout the journey. Staff cannot be monitored, managed, and assigned from a big picture perspective.

Dated technology – particularly of the on-premises variety – may lack the scaling capability needed for success in a marketplace that features unpredictable changes in volume and channel preference.

Contact Center Solution: An engagement suite that can integrate with other systems. A modern workforce optimization system additionally allows the business to improve agent performance, call quality, and better handle volume across channels.

Cloud-based infrastructure allows the business to cost-effectively scale.

Outcome: With integrated technology, the business can deliver the seamless, omni-channel experience customers are demanding – and it can do so quickly and with an eye for first contact resolution. The updated workforce optimization solution will empower agents on a day-to-day basis while also revealing more opportunities to optimize performance. Both represent efficient pathways to happier customers and agents.

With cloud-based technology, the business will be able to cost-effectively scale to meet customer and agent demand. It moves agents where they are needed as they are needed, keeping customers happy and agent workflow manageable. Experts, meanwhile, will handle all relevant security and platform upgrades, leading to a reduction in administrative costs.

The rise of work from home and unconventional staffing

Contact Center Impact: Contact centers do not necessarily have the capability to seamlessly integrate at-home agents into the mix. They also lack the cultural oversight to support this model. Quality will fall, and agent engagement will suffer.

Contact Center Solution: Virtual contact center solutions are essential in this era of soft-walled, multi-site contact centers. Workforce optimization tools should also contain a remote/browser-based component so that agents can seamlessly access their desktops – and everything they need to perform – from home. Contact center strategy must also support the work from home environment.

Outcome: "Calabrio has many customers who are leveraging our browser-based tools to support a remote workforce," notes Snedeker. "Our customers who have established successful programs have put thought and effort into establishing processes to keep communication open between supervisors and work-at-home agents. Some companies require agents to come into the contact center for monthly coaching sessions."

A technological platform that supports a remote workforce ensures seamless collaboration with agents, seamless access to customer insights, and full visibility over quality. A strategy that supports the model helps agents make the most of a work arrangement that, in theory, is supposed to make agents feel more satisfied and content with work. By incorporating these comfortable, contented agents into team meetings and coaching, the organization builds additional engagement.

In Practice: Contact Centers That Deserve To Be Called Business Partners

"Gone are the days when the contact center functions as a second-tier department, or as an unsightly back-office function," says Calabrio.

"Contact centers are the last real place for customer engagement and a gold-mine of valuable insights gained right from where it matters most—your customers.

"Calabrio believes that it's time to put the customer at the center, and elevate the contact center to a key informant of business strategy and a driver of top-line growth."

You asked for your contact center to be taken seriously. The business has responded. Now is the time to live up to that serious, more pivotal role and deliver improvements in the areas that matter most to the business.

Conceptually, solutions like those offered by Calabrio will drive such improvement:

Operational efficiency: The right agents will interact with the customer at the right time. Agents will always have instant access to the information they need to produce resolution. Processes will be as painless and seamless as possible. Call time and costs will be reduced. Resolutions will be delivered on the first contact.

Improved quality: Interactions will be quicker – and more accurate. The combination of added insights and more robust monitoring ensures interactions progress the way they are supposed to.

Improved predictability: Whether using predictive NPS or applying analytics to future calls, the business will have a real palette of insight on which to create the best possible journey.

Customer centricity: The added insight will give the business a true picture of its customers and thus the data it needs to deliver the experience they demand.

Improved satisfaction, loyalty, revenue: With the right information at their fingertips, agents will deliver more satisfying experiences. That satisfaction will lead to loyalty; both will lead to more revenue.

Improved agent performance: With greater access to knowledge, agents will be more capable to satisfy customers. With greater insight into agent behavior, supervisors can offer more productive coaching, thus leading to further performance improvements.

Improved agent satisfaction: With more intuitive systems, more of the insight needed to succeed, and more transparent performance and coaching, agents will be happier at work.

Exciting, these benefits are also confirmed in practice.

Luxury jewelry and specialty retailer

Goal: Gain a better understanding of the voice of the customer

Success Story: Upon launching a focused ad campaign, the retailer received a very passionate, emotional complaint from a customer. To determine if the complaint was universal, the organization used analytics to assess broader customer sentiment. It did not encounter other examples of the complaint, and it kept the ad. The successful campaign led to more revenue.

Credit union

Goal: Improve ATM processes for member base of over 700,000

Success Story: Through voice of the customer analytics, the credit union investigated calls in which the customer asked for a supervisor. These calls reflected a recurring issue: frustration with ATM deposit delays. The credit union acted on the insight, improving ATM deposit processes and also expanding mobile deposit capabilities. The simple changes increased customer retention, resulting in a seven-figure revenue increase.

The ROI Of Performance Management

Performance matters. In the contact center, in the back office, in the sales organization and in the field, customers have high expectations and unprecedented choice. Meeting and exceeding those expectations is vital to establishing trust and maintaining a competitive advantage. High performance organizations close more sales, deliver service at a lower cost, and earn more loyalty from both customers and employees.

Delivering high-performance experiences requires an ongoing commitment to continuous improvement. To start, you need to determine how well you are meeting your own goals and expectations. Next, you need to understand how you are measuring up over time. And finally, you need to identify how to close performance gaps and implement necessary improvements.

Organizations that take these steps have realized rapid improvements in customer satisfaction, loyalty, and retention. And they have claimed high amounts in cost reductions through improved productivity and increased employee engagement. Performance management is the discipline that can deliver these results in your own organization.

What Performance Management Is Not

There is still widespread misunderstanding of the term "performance management." Some organizations still consider performance management to be a synonym for disciplinary action or termination. The reality is far different. Performance management isn't a weapon, and it shouldn't be used as a code word or euphemism for taking corrective action.

When applied effectively, performance management can improve the effectiveness and engagement of nearly every employee. Organizations that see performance management merely as a way to identify and cut the lowest-performing quintile of their employees, or as a club to use in negotiations with third-party service vendors, are leaving a lot of value on the table.

What Performance Management Actually Is

Simply put, performance management is a strategic way to improve results within your organization. It helps everyone in the organization understand and improve the impact of their own work – whether they are individual contributors, supervisors, managers, or senior leaders.

Performance management isn't just an executive privilege. An effective performance management process can help everyone in the organization understand how their actions and contributions create value.

Individual contributors see how their results compare against their goals and against the performance of their peers. And they can see how their results have trended over time, too.

Supervisors and managers gain insights into individual and team performance. So they can target their coaching activities to build on success, drive greater consistency, and identify and close any performance gaps.

Leaders and executives see how strategic decisions and investments in both technology and human capital impact the ability to achieve key business objectives, and how individual supervisors and managers are impacting the results of their teams over time.

Why Performance Management Matters To Every Organization

Success in business today depends on reliable data and quantifiable results. Performance management is a perfect fit for organizations embracing a greater focus on insight-driven strategy, because it helps organizations get the most from everyone on the team.

Many organizations already have some processes for identifying poor performers and taking corrective action. With true performance management, it's possible to manage those processes more effectively and more consistently. But helping poor performers move up or move out is just one narrow use case.

Performance management also helps sustain the motivation and performance of top performers, and helps move mid-level performers to greater capability and consistency, and to promote and leverage best practices across the entire team. Performance management insights can help move the middle of the pack to a higher level by identifying the best practices of top performers and utilizing effective coaching strategies to promote and leverage those practices across the entire team. A major telecommunications provider reduced the variation between its top and bottom performers by over 40% after adopting comprehensive performance management.

Performance management also helps contact centers and other data-rich business environments to establish consistent standards so that employees are able to meet customer expectations and other critical business goals. When employee contributions are recorded and tracked over time, it is possible to identify and reward those top performers who demonstrate exceptional skill in handling high-value or highly sensitive customer interactions, consistently low error rates, and high productivity. By recognizing and rewarding these employees, companies can increase engagement and motivation, reduce turnover (and the associated costs of hiring and training), and bolster the reputation of their company among customers and potential workers.

Building Around NICE Performance Management

NICE Performance Management does more than just aggregate and report results. It supports continuous improvement and drives organizational value by harnessing three key elements: transparency, insights, and motivation to take appropriate action.

Transparency: NICE Performance Management delivers relevant, personalized performance data to everyone in the organization, in a timely and accessible manner. It is literally "one version of the truth" for everyone, from front-line employees to the most senior executives

Insight: Information is necessary but not sufficient for improving performance. If employees continue to perform in the same way, they will continue to deliver the same results. So performance improvement depends on identifying specific gaps or opportunities for improvement – whether they are due to skills, knowledge, attitudes, mindset, or business processes. NICE Performance Management includes a variety of tools and dashboards that facilitate the process of root cause analysis, enabling supervisors and managers to quickly look behind the numbers and determine the specific behaviors that represent the best opportunities for improvement.

Motivation to take appropriate action: NICE Performance Management is designed around the philosophy that individual contributions are the key to organizational results. Organizations don't perform better or worse—people do. And when people are provided with the transparency of personalized results, and the insight of understanding the behaviors behind the numbers, they are more motivated to take the appropriate actions that lead to improvement. Everyone understands where their individual and group performance is strong, where there are gaps and opportunities, and what they can do to improve. Individual employees can manage their own performance more effectively, with less reliance on their supervisor or team leader. Supervisors and managers can target their coaching more effectively, can provide more relevant rewards and incentives, and can more easily identify and implement necessary changes in policies, procedures, and training.

A large telecommunications firm saw the power of transparency, insight, and motivation when it revamped its reporting with NICE Performance Management. The company realized it had been overwhelming agents with too many statistics that were meaningless, out of context, and not paired with concrete opportunities for improvement. Its new dashboards show just 10 statistics that are easy for agents to understand and that relate directly to their own individual performance.

Provided with relevant data and meaningful insights, agents were able to take immediate action to manage and improve their own performance. The telecommunications firm realized a 12% improvement in customer satisfaction and a 7% improvement in first call resolution. And most of the improvement in first-call resolution came within just one month of implementation.

Simply put, NICE Performance Management helps organizations achieve a significant return on investment by saving time and by turning data into insights everyone can act upon.

How Nice Performance Management Delivers ROI

ROI THROUGH TRANSPARENCY

Most call centers, back office operations, and other data-rich environments include a host of legacy reporting systems that do not communicate effectively with each other. In many of these environments, performance data is not available directly to front-line employees. Instead, supervisors need to download, compile, and organize performance data for every member of their team – usually on an Excel spreadsheet. This process can be tremendously time-consuming. A typical call center or back office supervisor may have anywhere from 12 to 30 or more direct reports. And these supervisors routinely report that it can take about 15 minutes or more to compile performance data for each member of their team. This means that a supervisor who has only 12 direct reports and provides performance data just once a month still needs four hours to complete the task. A supervisor who has 20 direct reports and provides performance data twice a month is spending about 10 hours every month.

As data proliferates and the typical span of control continues to increase, the need to provide performance data to employees can become a substantial burden. Supervisors spend time simply reporting information instead of supporting their employees on the floor or coaching to help them improve.

NICE Performance Management frees supervisors from the unproductive work of reporting, and enables them to focus their time on helping their employees perform more effectively. After implementing NICE Performance Management, one international payment vendor was able to reassign three FTEs who previously had to spend their time reconciling performance reports across numerous systems.

ROI THROUGH PROMPT INSIGHTS

Without a comprehensive performance management system, it may take a supervisor weeks or months to sit down and discuss a call event with an agent. After such a long wait, these discussions often have little value. NICE Performance Management empowers agents to evaluate their own performance in the moment, so they can take action on their own, without waiting for a supervisor to intervene.

At a major technology manufacturer, the daily reporting and real-time feedback delivered by NICE Performance Management were credited with a 5% improvement in close rate and a 9% increase in revenue per call.

ROI THROUGH MOTIVATION

When employees, supervisors, and managers all work from the same performance metrics, it's much easier to focus on progress and drive organizational improvement. This is especially true in virtual organizations where employees work remotely. Without the ability to hold face-to-face-meetings or provide side-byside coaching, it can be difficult to share information, experience, and best practices. A solid performance management system plays a vital role in providing clear direction and shared understanding across the whole organization.

At one airline, the introduction of NICE Performance Management into a large, at-home agent pool created a sense of unity and shared purpose.

"[NICE Performance Management] provides an eye-opening experience for our agents, and helps them strive to perform better" - Manager of Reservations Automation, Major Airline.

ROI THROUGH GAMIFICATION

More and more businesses are discovering the power of gamification to increase employee engagement and motivation. And gamification can be harnessed in the service of performance management, too. By creating a competitive peer network focused on stellar execution and consistent performance every day, gamification establishes personal stakes and heightened engagement that go far beyond a simple employee rating or scorecard.

NICE Performance Management includes a gamification platform that features cooperative and competitive pursuits, incentives and rewards that can be tied to performance goals, and engaging ways to share best practices with colleagues. It also provides an excellent structure to recognize contributors for their unique strengths – such as consistently high scores on a particularly challenging job task. Employees earn recognition for improving their own performance, and supervisors can use the gamification framework to share even better training and enrichment materials.

ROI THROUGH GUIDED COACHING

We would never expect a doctor to provide treatment without conducting a thorough examination and determining an accurate diagnosis. But in today's fast-paced business environment, supervisors are often expected to coach before they have identified the source of a performance problem or the appropriate focus for improvement.

NICE Performance Management includes guided analytics and root cause dashboards that help supervisors quickly zero in on specific areas of opportunity. For example, a supervisor might determine that a representative's high Average Handle Time is really due to problems with just one type of call. A sales agent's poor overall results might be due to challenges in selling one product or package. And an analyst's relatively low Volume Per Hour could be the result of a skill or knowledge gap related to just one type of process.

In addition to helping coaches quickly understand the behaviors behind the numbers, NICE Performance Management also makes coaching a more cooperative and participatory process. Before a coaching session, both the supervisor and the employee follow a structured approach to prepare for their discussion. So employees are able to participate more actively in driving their own development.

NICE Performance Management also drives best practices in the coaching discussion itself. It guides supervisors to select a clear focus for the session and to conclude with a clearly stated goal and a concrete plan of action to achieve results. It makes it easy for coaches to assign specific learning tasks or Best Practice Library items to help employees acquire necessary skills and knowledge. It documents the discussion and the action plan for both the supervisor and the employee. And it includes automated alerts and reminders for due dates of learning modules and new performance milestones.

So NICE Performance Management supports a collaborative coaching process that engages employees and helps gain their buy-in for the specific behavior changes that can lead to increased effectiveness and better performance results.

ROI THROUGH COACHING MEASUREMENT

Call centers, back offices, sales teams, and field service organizations often have a host of measurements relating to front-line performance. But they rarely – if ever – have any measures of the effectiveness of their coaches. This is an area of significant opportunity – and NICE Performance Management fills the gap with Coaching Effectiveness dashboards that clearly highlight the relationship between coaching activity and results. And the same principles of transparency, insight, and motivation to take appropriate action can be applied to drive improvements in supervisor performance as well.

Supervisors – and their managers – can see at a glance how they are allocating their coaching time and effort, and if they're achieving the desired results. Which employees are supervisors coaching most often, and what topics are they focusing on? If a supervisor is providing a lot of coaching to certain employees on her team, those employees should be improving their performance results. If a supervisor is focusing a lot of coaching sessions on improving first contact resolution, FCR results for the team should be increasing. The Coaching Effectiveness dashboards provide valuable feedback that enables supervisors to self-correct, and enables managers to target their "coach the coach" activities more effectively.

The ability to easily track coaching activity and impact provides supervisors, managers, and executives with insights that can significantly accelerate performance improvement. There may be opportunities to improve the coaching skills of some supervisors. Or there may be opportunities to revise procedures, provide better employee training, or target incentives. By considering performance from a system-wide perspective, continually highlighting best practices, and working relentlessly to close gaps and improve consistency, supervisors, managers, and executives can transform their business into a truly high-performing organization.

Final Thoughts

NICE Performance Management helps organizations succeed because it helps individuals succeed. From newly hired agents to seasoned veterans, everyone can benefit from more insights into their performance. For front-line supervisors and coaches with more responsibilities than spare time, it helps create plans of attack to bring individual contributors in line with organizational goals. And for senior leaders, it helps develop and sustain a competitive advantage in the marketplace, making your company the number one choice for customers – and for talented employees, too.

Finding Costs Hidden In Your Contact Center Plans

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The Core Contact Center Management Problem

Contact centers are obviously human-powered operations, and nothing is more core to the proper function of the operation than determining how many center agents are required to handle the volume of contacts, and then developing an operational plan in order to deliver, as close as possible, the exact required number of agents. If done well, the operation runs smooth, with the exact number of people available to respond to the expected workload. If done poorly, the organization is saddled with significant costs, both in customer dissatisfaction and in wasted payroll dollars.

Through the process of solving this core contact center management problem, an entire industry has been developed: the workforce management (WFM) industry. WFM solves very critical business problems; it determines efficient contact center agent schedules, it aids in the management and enforcement of agent schedules, and it performs these functions across many contact types and channels.

However, this fact may be surprising to center executives: workforce management software does not solve this most basic and core contact center business problem; most workforce management software systems do not determine how many agents are required to show up to work each week, nor do they develop an operational plan to ensure that the company delivers the required number of agents to the operation.

To those in the contact center industry and particularly those in the workforce management field, this may not sound true. However, workforce management software does not manage the long-term aspects of the resource management process, and it fails to consider the seasonality associated with contact center operations. Workforce management system's focus is tactical and is really only confined to a one or two week view. Almost every workforce management software suite does not seriously consider the seasonality of important planning behaviors, like agent attrition, seasonal handle times, seasonal sick leave, or seasonal contact volumes. And this is by design.

Workforce management systems serve to best manage the number of agents that you already have. It does not determine how many agents you should have; this is determined by a different process with different analytic steps. This other process is most often called either the long-term staff planning, or budget planning, or the capacity planning process. We like to call this process contact center operational planning.

Staff plans, budgets, and, hence, overall costs, are determined long before the workforce management software works its tactical magic. In today's most common infrastructure, the operational planners develop the staff budget and operational plan, and then workforce management software optimizes schedules while constrained to work within that budget. The long term operational plan determines the number of agents available. For most companies, the operational planning process is driven by large, error-prone, and cumbersome spreadsheet systems. Because of this, today, any real improvement to staffing efficiency is likely to come by improving the contact center long term operational planning process, rather than the traditional workforce management process.

The Role Of The Operational Planning Process: It's Where the Money Is

The operational planning process evolved to solve the core contact center business question. This problem is (assuming an inbound contact center): given the seasonality of call volumes, the seasonality of agent attrition, the seasonality of agent sick time, vacation requests, and other shrinkage items, the seasonality of handle times, given that all of these items are different by center location and type of staff required, and given learning curves, training times, and other important and complicating characteristics, how does the organization manage the workforce, week over week, so the exact number of agents are available to work as the customer demand requires.

There are many levers available to management to move their agent resources toward a more efficient plan. Center executives can plan for hiring, terminations, seasonal employees, and outsourced employees. They can plan for downtime to be filled with training, vacation, loans to other groups, and undertime (sending agents home early). They can fill staff shortages with overtime, temp agents, outsourcing, and the cancelling of off-phone activities. They can plan for handle times to be proactively shortened when understaffed or they can allow cross sales to be offered when overstaffed.

When the complexities of a multisite, multi-skill, and multichannel operation are overlaid onto the business problem, the quest for more efficiency is even more difficult; there is just so much to consider.

Optimally solving this problem is critically important. It is in these strategic business decisions that the most significant contact center costs are contained or the value is wasted.

The major functions of contact center strategic planning include:

1. Making predictions: Estimate expected volumes, handle times, uncontrollable shrinkage and attrition

2. Managing and taming seasonality: Deliver the right number of agents to the operation each week, given the seasonality inherent in contact center operations

3. Managing operational change: Provide what-if analyses of company staffing policies, center configuration, marketing/sales initiatives, hiring, and other strategic questions

4. Monitoring the operation: Provide regular and timely variance analyses and explanation

5. Providing analysis: Evaluate service goals and regularly determine the operations cost versus service tradeoff. Develop the most cost-effective operation strategy

Given the importance of contact center strategic planning, it might be expected that most large companies have invested significant resources into optimizing this process. But this isn't necessarily the case.

Hidden Inefficiencies In Contact Centers Due To The Planning Process

The state-of-the-art planning technology, up until 2001, was the Erlang or occupancy calculation-based spreadsheet. The mechanical processes associated with planning have been fairly consistent in the contact center industry:

1. Collect contact center volume data and performance history

2. Forecast all performance driver items necessary, primarily call volumes

3. Develop weekly staffing requirements

4. Develop hiring, overtime, undertime, controllable shrinkage plans

5. Convert hiring plans into a budget

6. Develop variance analyses and variance explanation

Because of the complexity of the strategic planning problem and the limitations of traditional technology employed (spreadsheets), analysts have to make sweeping assumptions and simplifications, simply to produce a plan in a relatively timely manner. These assumptions and simplifications have had very hard costs.

But these hard costs are virtually unknown to the operation — they are hidden — because the sources of the costs are analytic and complex in nature. In order to demonstrate that the plan and operation is inefficient, a more efficient plan must be developed as a point of comparison. Not an easy task.

Similarly, in the 1990s, workforce-management-produced agent schedules were shown to be more efficient by providing a comparison to schedules produced in spreadsheets.

Since 2001, two new contact center planning technologies have been developed that have been proven to be more efficient than those found in most planning spreadsheets:

1. Discrete-event simulation-based staffing requirements are more accurate than both Erlang based requirements or occupancy-forecast based requirements. Simulation offers a host of benefits, in addition to its accuracy. Primarily, it allows the quick evaluation of almost any what-if, and it allows the accurate modeling of almost any contact channel in any combination. With simulation systems, evaluating multi-channel operations is now viable.

2. Integer programming-based staff plans allow the development of mathematically-optimal, just-in-time staff plans. This includes hiring plans, termination plans, outsourcer plans, overtime and undertime plans, and controllable shrinkage plans. With spreadsheets, staff plans, whose goal is to determine how best to "hug" the seasonal requirements curve, is a completely manual, ad-hoc process. By its complex nature, it is impossible to optimize spreadsheet staff plans by hand (as it was impossible to optimize schedules by hand before workforce management algorithms).

Because we now have a point of comparison, we can demonstrate areas of improvement and their typical value to the operation. Systems that automate and optimize the planning process, like Interaction Decisions™, allow the quantification of the costs associated with spreadsheet shortcuts; here are some spreadsheet shortcuts that inject real costs to the contact center operation.

Common and Costly Sources of Hidden Cost Due to the Spreadsheet Technology

The following list includes items that require new technologies, such as the purchase or development of simulation-based planning technologies, as well as items that often can be incorporated into the current spreadsheet infrastructure. All will improve the plans and the efficiency of the operation.

1. Flat-lining shrinkage: Many organizations assume in their plans that all controllable shrinkage items (e.g. sick time) are constant throughout the year. This is simply not true, and further, seasonal shrinkage is usually very predictable using standard forecasting methods. By assuming that there is no seasonality associated with shrinkage, the plan builds in an inefficiency that is easy to avoid.

2. Assuming different centers behave similarly: In order to speed the planning process, many organizations assume that each of their contact centers have exactly the same behaviors; meaning that each contact center has the same handle times, the same shrinkage patterns, the same employee attrition, etc. This is not a good assumption, as most contact centers are different. By assuming a common efficiency, these real-world differences are ignored in the resulting plans, and the least efficient centers will receive the same consideration as the most efficient center. This results in a less efficient operation overall.

3. The spreadsheet is too cumbersome for most what-ifs: It is a truism and a cliché that software should be thrown out periodically and rewritten. This is certainly the case with planning spreadsheets; often they are developed for limited uses, but they grow to accommodate many add-on business questions. These periodic add-ons result in a much harder to maintain product. If the spreadsheet cannot accurately evaluate a moderately complex what-if in, say, an hour or so, it needs to be redesigned or the organization should invest in an engineered third party system.

The value of comprehensively answering important what-if questions with accurate and quick analyses is significant.

Similarly, what-if analyses require that the relationship between service goals and expected costs be known, but also, and maybe more importantly, it requires that the relationship between the available staff and expected service also be determined. For example, answering the question "what will our service levels be week over week over the next six months if we can't hire fast enough?" should be an easy what-if for your planning process.

By understanding both views of this staffing problem, trade-off analyses become practical and possible. Drawing two simple graphs, 1) staff available versus service expected, and 2) service provided versus variable labor cost, provides a powerful picture that will help make clear the most appropriate service goal for the operation. This is a simple analysis to develop if the planning system is automated and the model that drives the analyses is flexible.

4. The staff plan should be developed using mathematical optimization algorithms: The development of hiring plans, overtime plans, controllable shrinkage plans, and overtime and undertime plans, given the seasonality inherent in contact center operations, belongs to a class of mathematical problems called combinitoric problems. In a nutshell, solving combinitoric problems require the evaluation of many possible solutions- many more than are feasible to evaluate manually with a spreadsheet. Yet this is how our industry solves this complex planning problem.

In much the same way that workforce management improved the efficiency of agent schedules by applying optimization algorithms, plan efficiency can be greatly improved using similar mathematical approaches, like integer programming. It is not uncommon for an operation to reduce staffing costs by as much as 5% simply by automating and employing better algorithms to solve this complex problem.

5. Your plan requires model validation: Among the first lessons learned in mathematical modeling is the notion that models that predict behaviors, or models that describe the results of a system under different input loads, require validation of their accuracy. This seems both reasonable and prudent. If a computer model is to be believed, it must be proved accurate, or at least its inaccuracies must be made known.

The most basic computer modeling exercise associated with the strategic planning problem is to determine how many agents are required to perform the work associated with the expected contact volume. Given the expected volume of contacts and the expected handle times, what is the number of agents required to hit the desired servicing goal? This one modeling step is the lynchpin to almost all other planning analyses.

Yet, in the contact center industry, validating this important modeling step is rarely done. If the computer model that determines the variable labor costs of the contact center operation is not known to be accurate, then its results will always be appropriately assumed suspect.

Common Sources Of Hidden Costs Due To Planning Management Processes

Business processes are often developed around available technologies, and not vice versa, as they probably should be. The business processes that have surrounded the contact center planning problem have often been a slave to the flaws in the traditional spreadsheet technology.

Some common sources of costs associated with the business process of plan development include:

1. Utilizing stretch goals: A common business practice is to assign any improvement project its own line item in the budget. For example, if a manager wishes to implement a contact center improvement initiative, they would need to determine the expected benefit, in terms of operational improvement (say, a reduction of handle time) and that improvement would be added to the strategic plan and budget. Clearly, for many projects, the proposed improvement is often wishful thinking.

However, any unrealized value associated with any project is baked into the operational plan via the stretch goal, and the operation may be in difficult straights, as many contact center plans are highly sensitive to the timing of center decisions, as in, for example, the decision to hire.

If a company has developed an operational plan with several layers of "hoped for" improvements, then its operational plan's success would be much more susceptible to the success and the timing of any of these projects. As more stretch goals are introduced, a company absorbs more operational risk.

2. Planning by committee: Often, organizations have several layers of budget input, but few associated with real authority or expertise. When it comes to the largest line item in the budget, variable labor costs, the greatest expert is most often the lowly analyst that develops the staff plan.

For example, given the dynamic call routing infrastructure of the modern contact center, most center managers will have less expertise in the determination of the operational staff plan than the central planner, as the central planner has an overall network view of the plan. Listen to the analyst.

3. A myopic view: A mistake some contact center organizations make when developing operational plans is to make long term decisions based on short term analysis. Given the seasonality associated with contact center operations, it is imperative that the analyses of, for example, when and where to hire contact center agents, consider at least one full season from the date of the decision. Eighteen month rolling plans are certainly a best practice.

4. Using variance for early warning of operational changes: It is commonly believed among planners that most variance meetings serve to simply tell the organization that the original forecast and plan is wrong, and to chastise the planners for their error. The best organizations use variance to plan, not to assign blame, but to monitor the organization for changes in key operational drivers, and to determine the proper decisions to make to accommodate these changes.

5. Developing one plan: Most organizations develop one plan (albeit over several iterations). The best organizations — those that have developed an automated, fast, and mathematically optimal planning process — use their planning process to develop several competing operational plans, in order to evaluate the risk of each potential plan. With a quick and accurate planning system, plans can be evaluated quickly, and the operation simulated for sensitivity to the main planning assumptions. For example, if volumes are known to be erratic (as when economies are in a state of flux), having one consensus volume forecast does not make so much sense. Instead, it is smarter to evaluate several staff plans against the possible volume scenarios. This way, variable labor costs and operational risks can be determined and considered before deciding on an official operational plan. In this example, volumes are not predictable, however, the operational risk is.

Hidden Costs Can Be Easy To Find

With an automated, validated, and optimized operational planning system, along with a disciplined and focused planning process and management team, hidden costs virtually disappear. The good news is that advanced modeling technologies now exist so that the old standby, the unwieldy spreadsheet, is no longer necessary. Our business processes grew around a sub optimal planning technology, and the old and tedious spreadsheet tools have been rendered obsolete by better modeling technologies. New management processes have emerged to take advantage of the added business intelligence.

The benefits of improving this process are terrific. Better plans result both in lower costs and more consistent operational plans. It leads to more knowledge of the operational risk associated with management decisions. It brings educated answers to business questions that were previously answered only through gut feel.

With an improved planning process, executives will not only be able to better answer the core planning problem, but they will know how many contact center agents to employ while having the tools to ensure that they can tame their seasonality in order to best hug that requirements curve.