

In the CENTER



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Validating Performance Measurements

Ensuring the validity of performance measurements will help you to avoid making key decisions on the basis of faulty business intelligence.

Call center ACD statistics have transformed in recent years from paper event summaries into multipurpose data elements. As a result, call center ACD statistics are now commonly used to help support strategic as well as tactical decisions. Table 1, below, illustrates how the evolution of call center performance data reflects their changing role in enterprise decision-making.

Decision Support

Performance assessment begins with measurements based upon performance data. With so many potential performance criteria to measure, it is up to enterprises to determine which measurements are most meaningful in relation to their own standards of successful contact center operation, and which performance data to capture and apply in making measurements.

More specifically, key performance indicators, or KPIs, are measurements derived from performance data that enable performance assessment. KPIs thus represent links between available sources of performance data and contact center objectives. A KPI can be a pure ACD statistic or a composite of elements from different data sources.

Ideally, organizations will develop KPIs as part of a larger process of systematic performance analysis and review. From this perspective, KPIs are more than summarized ACD statistics routinely scanned by a team leader. Instead, they represent a set of performance measurements that can be used as business intelligence within a business process management model to further the mission of an organization. But regardless of how they are utilized, KPIs must measure performance meaningfully and consistently.

Table 1. Call Center Data Uses

ENVIRONMENT	STRUCTURES	IMPLICATIONS
Legacy Paper reports Relational databases Batch processing Standalone data marts	Stovepiping/silos Historical data	Uniform uses Specific interests
Evolving Custom electronic reports Dashboard status displays Networked databases Multidimensional databases	Data warehouses Real-time data	Flexible uses Enterprisewide Decision support

Most Popular KPIs

In a recent survey of 196 call center leaders, ICMI determined that eight performance measurements were each considered to be a KPI at the organizational level by at least half of the survey respondents (as shown in Table 2, on page 2).

We can draw some important conclusions from these perspectives on data sources and commonly used KPIs: The number of data sources required to support the most common KPIs is large. Most require subjective evaluation, and all

require interpretation. In short, this is a recipe for a set of work performance indicators that may lack consistency in their application. These are validity considerations.

In fact, since each of the most popular KPIs must be created through the use of particular data sources, every contact center manager is placed in a position of depending upon “good data” in order to develop meaningful performance assessments. The stakes become higher when call center performance information is shared throughout an organization.

Validity Yardsticks

Contact center managers must choose KPIs not only on the basis of applicability, but also with respect to validity. In this context, “validity” is the property of a KPI that renders it suitable as a basis for performance assessment.

The generic attributes of valid call center performance measurements are straightforward:

- **Relevance.** The measurement relates to the purpose of the contact center, in terms of broad mission and short-term goals and objectives.
- **Accuracy.** The measurement states what it indicates and thus forms the basis for confident action.
- **Timeliness.** The KPI represents current, preferably real-time, information.
- **Completeness.** All available data sources that may bear on the KPI are represented for a “full measurement” of the indicated performance.
- **Clarity.** The interpretation and understanding of the indicator is unambiguous, particularly within the organization.

Table 3, below, summarizes valid KPIs in terms of these five attributes, with emphasis upon the conditions that must exist to support meaningful contact center performance assessments.

Of course, the judgment of call center managers often serves to filter performance measurements that lack validity, but the effect of invalid performance data can be sub-

tle, and dependence on managerial judgment provides a weak basis for controlling the quality of performance data. In any case, these five validity attributes of call center KPIs can directly affect the realization of mission and performance objectives.

For example, call center performance measurements that indicate a drop in customer satisfaction may affect upper-management budgeting decisions for the call center. However, if those customer satisfaction measurements were made using subjective evaluations that were inconsistently applied, then the reported satisfaction measurements may have lacked accuracy—one of the five essential validity attributes.

Payoffs

Consequently, contact center managers should actively address the derivation and use of the KPIs they have chosen as their performance measurements. Critical reviews of KPIs should determine those that will best address the tactical and strategic goals of the call center. Those call

Table 2. Most Common Organizational-Level KPIs

KEY PERFORMANCE INDICATOR	PERCENT OF RESPONDENTS (N=196)
Call quality	100
Service level	83
Customer satisfaction	78
Average speed of answer	67
First-call resolution	57
Employee satisfaction	56
Adherence	52
Turnover	50

Source: “Call Center KPIs: A Look at How Companies Are Measuring Performance,” by Jay Minnucci. Published by ICMI Inc.

Table 3. What Makes a Valid KPI?

ATTRIBUTE	ROLE	PRIMARY DEPENDENCIES
Relevance	Pertains to purpose	Agreement on mission, goal and objectives of contact center operation
Accuracy	True indication	Input of actual level of performance attainment, especially with regard to statistical validity
Timeliness	Available as needed	Interval between need for information and delivery from appropriate database is short enough not to compromise usefulness of measurement
Completeness	Provides full picture	Incorporation of all data sources needed for measurement
Clarity	Unambiguous	Consistent interpretations of measurements within an organization

center managers within organizations that actively apply principles of business process management should also seek to develop KPIs as organization-wide resources that will yield valid business process intelligence delivered to the right people at the right time.

The payoffs for well-utilized, meaningful key performance indicators can be extremely significant, both in terms

of creating satisfied customers and well-trained agents, and in terms of establishing the call center as an important strategic resource within an enterprise. ■

This column has been adapted from the first of a series of white papers on maintaining service quality in the contact center prepared by Henry Baird for HigherGround Inc. These white papers are currently being made available for download at www.highergroundinc.com.