



HigherGround

Report Series

Maintaining Service Quality in the Contact Center
**Leveraging
Customer Satisfaction**

Prepared By Independent Industry Consultant
Henry Baird
Telecom Directions LLC
Seattle, Washington
www.telecomdirections.com



Sponsored by: HigherGround®

Introduction.....	2
What Are Work Skills Optimization Tools?.....	3
Viewing Work Skills Optimization Tools by Group.....	4
Delivering Value to Customers.....	5
Why Work Skills Optimization Applications Are So Important.	8
Customer Satisfaction and Profitability.....	15
Effects of Skills Training.....	18
Customer Experience and Business Process Intelligence.....	19
The Role of Business Intelligence.....	21

INTRODUCTION

From the customer perspective, software to document, measure and manage work performance is relevant only in terms of delivered value. This report shows how to address contact center performance in terms of customer satisfaction in order to enhance agent productivity and contribute to organizational profitability.

Cutting edge work skills optimization software now makes it easy for contact center managers to record and document events, benchmark performance standards and measure progress toward attaining specific skills and realizing particular goals. Work skills enhancement tools also address the two most important strategic reasons for measuring performance: improving productivity and increasing profitability.

In fact, productivity and profitability improvements are the principal differentiators of these work optimization tools. Productivity improves as a result of shorter average call lengths and higher first call resolution rates, both indicators of work efficiency. Correspondingly, profitability (or its organizational equivalent) can increase as a result of decisions made on the basis of data provided by these tools that directly affect a contact center's financial performance, including measured changes in customer purchase behavior and overall satisfaction.

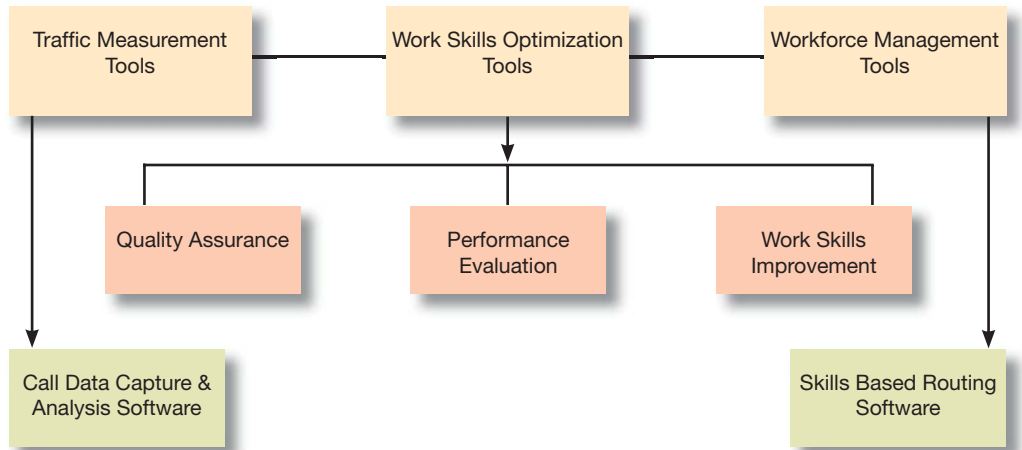
However, since the consequences of a customer's experience with a contact center affect both productivity and profitability, it is important to view work skills optimization tools from the perspective of the customer. By considering the effect of customer experiences, call centers can help determine how customers' interactions with contact center agents result in purchase decisions.

WHAT ARE WORK SKILLS OPTIMIZATION TOOLS?

Work skills optimization tools are a subcategory of performance optimization software. As shown on **Figure 1**, the performance optimization software category includes tools for traffic measurement, work skills optimization and workforce management. Although this discussion focuses on work skills optimization tools, traffic measurement and workforce management tools represent important indirect sources of data to support decisions related to evaluation, assessment and training. In this context, work skills optimization tools are defined as applications that directly monitor quality, evaluate performance and improve work skills.

Traffic measurement and workforce management tools offer indirect sources of data to support decisions.

Figure 1 – Categories of Performance Optimization Software



Within the work skills optimization group, “Quality Assurance” applications monitor customer-facing events and have several uses related to the documentation of session information. “Performance Evaluation” applications measure and report on sessions with respect to the experiences of customers and apply directly to agent work skills. “Work Skills Improvement” applications, on the other hand, structure, administer and follow-through on programs to improve agent skills.

VIEWING WORK SKILLS OPTIMIZATION TOOLS BY GROUP

Table 1 describes these work skills optimization applications by group. In many cases, applications have uses within more than one group. This is particularly true for call recording, which can be used for both quality assurance and performance evaluation, as well as for custom reporting, which is adaptable in all three areas. Together, these three groups of work skills optimization applications also offer significant value in terms of measuring customer satisfaction.

Three groups of work skills optimization applications offer significant value in measuring customer satisfaction.

Table 1 – Work Skills Optimization Tools

Function	Applications	Value
Assure Quality	Call Recording & Retrieval Session Monitoring Customer Surveys Screen Capture Custom Reporting	Protect From Liability Establish Best Practices Identify Problems Benchmark Standards Document Customer Satisfaction
Evaluate Performance	Call Recording & Retrieval Session Monitoring Custom Reporting Customer Surveys	Score Agent Skills Sort Performance Issues Deliver Direct Feedback Validate Effects of Training Structure Remediation
Improve Work Skills	Call Recording & Retrieval Session Monitoring Structured Training Structured Coaching Custom Reporting	Deliver Skill-Specific Training Document Training Progress Reinforce Skills Acquisition Ensure Effective Coaching

DELIVERING VALUE TO CUSTOMERS

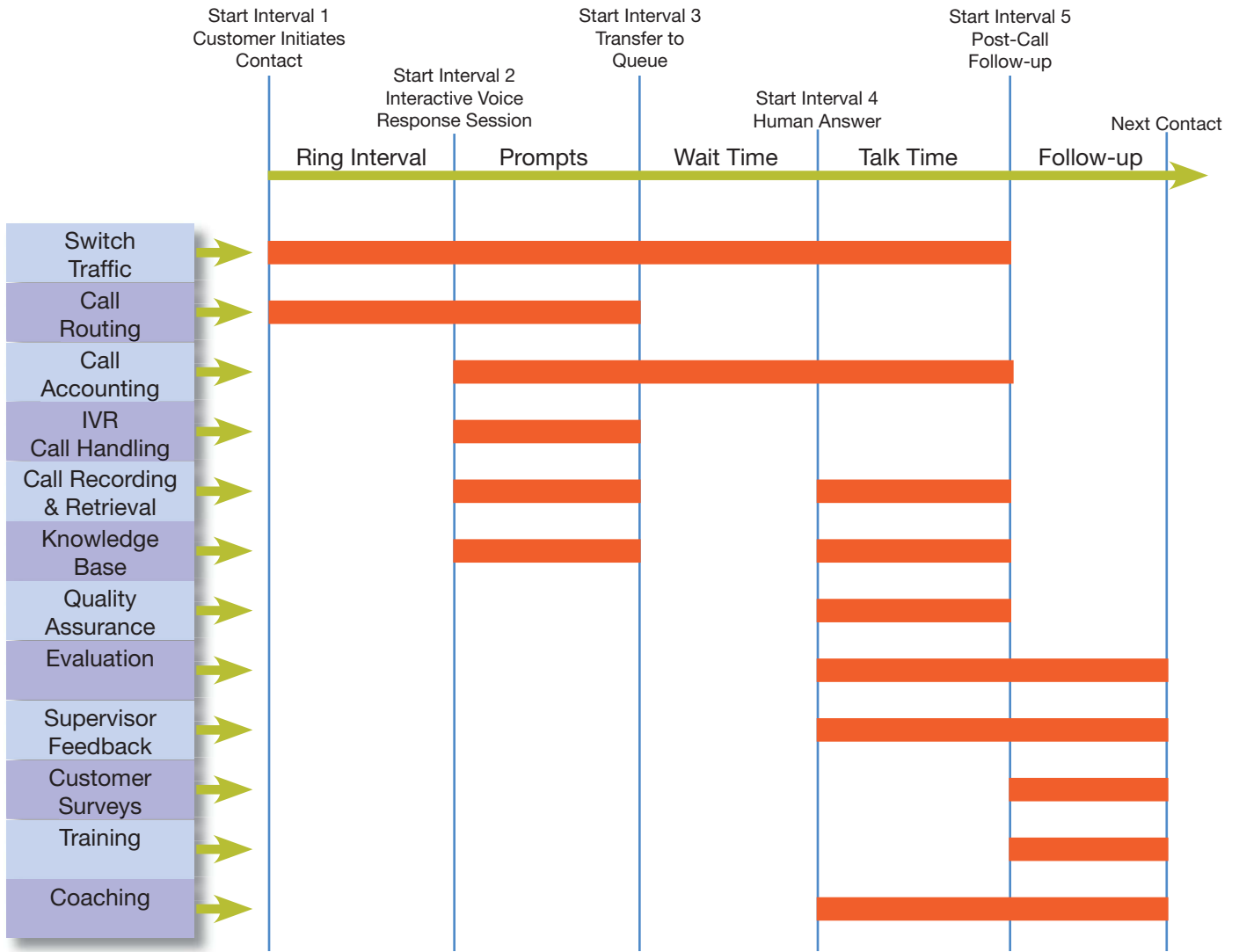
Sales presentations for contact center software applications tend to reference product benefits with respect to delivered work process efficiencies. This report looks at contact center performance with respect to delivery of value to customers. Through the structured analysis of customer experiences with agents described in the following pages, managers will be able to optimize agent work skills and evaluate the financial performance of the contact center.

Figure 2 illustrates a range of contact center performance applications as they would typically apply during the course of telephone communication with a customer. Each of these applications addresses events that occur during the call intervals shown at the top of the diagram. Note how the end-to-end customer experience provides a single window to view a variety of traffic and performance applications.

Each application provides a source of potential data for analytics tools to develop into decision-supporting business intelligence.

The end-to-end customer experience provides a single window to view a variety of traffic and performance applications.

Figure 2: Customer Experience Timeline



Assessing and improving inbound contact centers in terms of end-to-end customer experience can involve a range of traffic and agent performance applications. Data from these applications in an inbound call environment provide source information for both key performance indicators and work skills optimization programs. Analytics tools support knowledge base systems for both customers and agents, and also enable managers to gather, store, and analyze performance data from these sources for use as decision-supporting business intelligence.

OUTBOUND CALLS

From an outbound call perspective, the emphasis shifts to the reason for the call, particularly the agent's skill at establishing a productive conversation. These applications apply to hot, warm or cold sales calls, pre- or post-service communications, collections and credit issues, as well as "thank you for your business" calls.

Specifically, outbound calling involves several of the same traffic and agent performance applications as shown on Figure 2 but does not involve those related to call routing and queuing. Quality assurance measurements would apply for outbound calls during the time prior to direct contact in order to address messaging skills.

Analytics tools used in an outbound calling environment enable managers to gather, store, and analyze performance data from these sources to help generate business intelligence that will assess the effectiveness of these outbound sales and service calls in terms of immediate and future customer response.

Analytics tools enable managers
to gather, store, and analyze
performance data.

WHY WORK SKILLS OPTIMIZATION APPLICATIONS ARE SO IMPORTANT

Although a customer's experience with a contact center can be affected by decisions relating to all of the traffic and performance applications shown on **Figure 2**, those applications relating to work skills deserve focus as having the greatest impact on customer satisfaction. The intervals shown at the top of the figure are a good place to start. The following paragraphs address the intervals shown the figure in terms of the potential uses of performance optimization applications.

INTERVAL 1 - INITIATING CONTACT

Measurements in Interval 1
provide operational rather than
strategic significance.

For inbound calling, this first interval accounts for the phone number the customer needs to enter and the number of rings before the system picks up the call. At this time, some customers may begin to react to the ease of placing the call (toll-free, easily-remembered numbers, letter equivalents to numbers) and how many rings elapse before the call is answered, including, of course, any busy signal.

Call routing may occur during this interval if the front-end call processing used by the contact center directs calls based on in-band or out-of-band origination information. In addition, it is possible to measure offered call traffic, i.e., all placed calls, including those denied during an all trunks busy condition, by means of central office trunk studies and/or by metering specially designed signaling channels. Adjustments made by the contact center's voice processing system to the number of rings heard by the customer before call pick up may also have potential relevance in relation to customer perceptions.

Surveys generally measure these elements of the customer experience, to the extent they may be significant. Typically however, measurements during this interval of a customer's inbound call have operational rather than strategic significance.

INTERVAL 2 - INTERACTIVE VOICE RESPONSE SESSION

It is obvious that callers' perceptions of a contact center will begin to develop early on with regard to the programming of the contact center's interactive voice response (IVR) system. The key consideration is how much voice response system programming matters to an organization's callers.

Intensively competitive industries such as car rental agencies, airlines, and financial institutions may place more value on prompt sequences and scripting than the traffic violations department of a city or a federal agency. Even so, it is surprising how frequently IVR system programming guidelines are not followed, even in competitive industries.

Since benchmarking such decisions on the basis of generic guidelines can result in invalid programming assumptions, survey measurements of customer attitudes can prove extremely helpful, in terms of the overall importance of IVR system design to the customer, as well as in terms of obtaining improvement suggestions.

For example, are IVR prompts too fast, or too slow? Are there so many choices that they are difficult to remember, or are there so few that too many layers exist within the system? Which IVR format is more suitable, DTMF ("touch-tone") or speech recognition? How necessary is second language programming? How quickly and efficiently is it offered? And, as mentioned, how much of an issue is the design of the IVR system to the customer? What about "marketing messages" incorporated into the initial greeting? Do these considerations matter at all?

Surveys of customer attitudes
are extremely helpful in
determining IVR system design.

Customer surveys are an efficient way to measure opinions on questions such as these and will result in data that yield business intelligence to help optimize IVR design and programming.

Knowledge base systems may also be appropriate for use during this stage of the call. Checking an account balance, or selecting from a list of pre-recorded answers to frequently-asked questions may be desirable for both customers and contact center profitability. Of course, satisfaction issues also arise with regard to the programming and design of these reference and automated help desk systems. Survey measurements will assist upper management in assigning a value to them as a network asset.

Survey measurements will assist upper management in assigning a value to network assets.

INTERVAL 3 - TRANSFER TO QUEUE

At this point in the call, the customer has selected an IVR prompt, or has otherwise been placed in a call queue. The idea behind on-hold programming has always been to achieve a balance between the customer's willingness to hold and minimizing the potential loss to the contact center of call abandonment. As a result, familiar refrains such as, "Your call is very important to us" and "Did you know that you can also reach us at our website . . ." have become commonplace.

Contact center call accounting applications can measure time spent on hold and track abandons. The results of on-hold advertising messages can also be measured. However, direct customer satisfaction measurements are the only efficient means of determining how customers react emotionally to their treatment.

In addition to obtaining responses to obvious questions such as the effect of time spent on hold on the customer's willingness to conduct more business, these surveys could also address related issues such as reactions to on hold advertising and product promotions, even including the choice of on hold music.

Direct customer satisfaction measurements are the only efficient means of determining how customers react emotionally to their treatment.

INTERVAL 4 - HUMAN ANSWER

At the point in an inbound call when the caller reaches a human, work skills optimization applications apply directly. Elements of all of the three functions shown on **Table 1**, quality assurance, performance evaluation and work skills improvement, can be used at this point in the call to benefit the contact center in several ways, as shown on the right-hand column of the table.

Call Recording and Retrieval

Call recording is perhaps one of the most fundamental work skills optimization tools, since it applies not only to documentation for liability purposes, but also to evaluation and training. As a result, call recordings represent data that can be used to generate business intelligence for use by other work skills applications within the contact center. In particular, recordings of a difficult or unhappy customer can illustrate both effective and ineffective response approaches on the part of agents, as well as assisting in the determination of that customer's ongoing value to the organization.

A call recording application can also help protect a contact center from future claims that an agent misrepresented a sales transaction. In circumstances that often involve an urgent need to obtain such a recording, a call recording application with fast-retrieval capability can represent high value in terms of productivity. Similarly, agents who have demonstrated high degree of success in their work can be used as examples for others through the use call recordings of their sessions for training purposes.

Call recordings provide data to generate business intelligence for use by other applications in the contact center.

Session Monitoring and Evaluation

Work skills optimization for inbound contact center agents is centered on supervision and feedback. The training and coaching applications that take place as part of a follow-up process use session information gathered during calls to structure training and document particular instances of effective or ineffective action on the part of agents.

Applications that enable the capture of screen data and real-time listening-in on calls form the basis for a variety of performance reports and even enable online feedback and knowledge support during the course of a call.

Applications that enable the capture of screen data and real-time monitoring form the basis for a variety of performance reports.

Agent skills supervision applies both to developing the optimal delivery of information and support to inbound callers, as well as to evaluating agent performance with respect to compensation and suitability for promotion or termination. Session monitoring applications provide important justification for these decisions, as well as support for other decisions on other organizational issues, particularly relating to product development and documentation.

INTERVAL 5 - POST-CALL FOLLOW-UP

Improving agent work skills is part of an ongoing process that is centered in this final call interval, which begins for both inbound and outbound call centers when the customer hangs up the phone. This process of work skills optimization has several elements, which include customer surveys, performance reports, structured evaluation and assessment tools, suitable training programs and program follow-up, and ongoing coaching.

Agent skills improvement is an ongoing process that begins when the customer hangs up the phone.

CUSTOMER SATISFACTION AND PROFITABILITY

The most evident advantages of the work skills optimization applications shown on **Table 1** are their positive effects on customer satisfaction and profitability.

From the customer perspective, the presence of a work skills optimization program is apparent from pre-session announcements that the call “may be recorded for training purposes,” as well as pre-call requests inviting callers to remain on the line after the session in order to participate in post-call surveys.

The effects of such programs from the customer’s point of view are apparent, of course, in the knowledgeability of agents and in the overall efficiency and responsiveness of the organization.

As Figure 3 shows, the profitability of each contact center function is driven higher as improved work skills result in shorter average call lengths. This effect of the three applications areas of work skills optimization, quality assurance, performance evaluation and work skills improvement, is the primary driver of ROI for these products. The intangible improvements in customer satisfaction resulting from these applications are not shown on this chart.

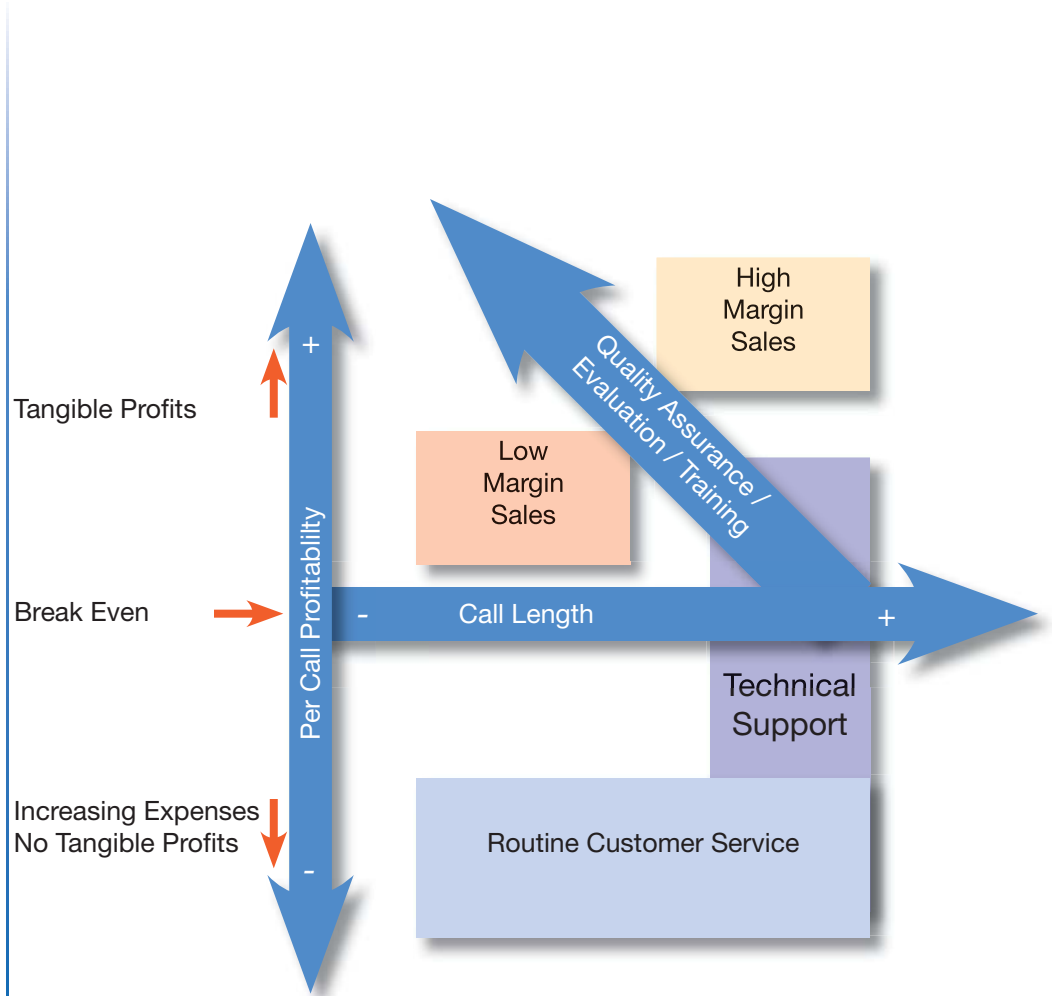
The profitability of each contact center function is driven higher as improved work skills result in shorter average call lengths.

In the case of technical support, which is represented by the largest shaded area, only contracted technical support (the shaded portion above the profitability axis) has the potential for showing a tangible profit. The portion below the axis indicates where technical support is provided at a paper loss to the organization. As work skills improve, call lengths decrease and profitability increases.

By extension, more satisfied customers will mean a larger account base, and a larger account base will result in an increase in sales of contracted technical support. Thus the effect of work skills optimization applications on each contact center function is upward and to the left on the chart.

**More satisfied customers equal
a larger account base which
results in increased sales.**

Figure 3: Contact Center Profitability Matrix



Work skills optimization applications drive profitability higher for each functional area of a contact center by shortening average call lengths and growing revenue as a result of higher customer satisfaction. In this matrix, each functional area operates within ranges of revenue versus expenses and shorter and longer call lengths, as depicted by the shaded areas.

EFFECTS OF SKILLS TRAINING

A number of years ago Xerox Corporation developed product sales presentation programs designed to be uniform throughout the United States. The standard of measurement was the ability, in theory, to attend the first half of the presentation in New York and the second half in San Francisco and not notice fundamental differences in the presentations.

Since that time, such efforts to brand a corporate image and method of operation have been applied extensively in training for contact center agents. As a rule, the larger and more service-intensive the enterprise, the more uniform the customer experience. Car rental agencies such as Hertz and Avis, and computer retailers such as Dell and Gateway, among many others, have made conscientious efforts to train contact center agents on a worldwide basis in conformance with standards that are consistent with a brand image.

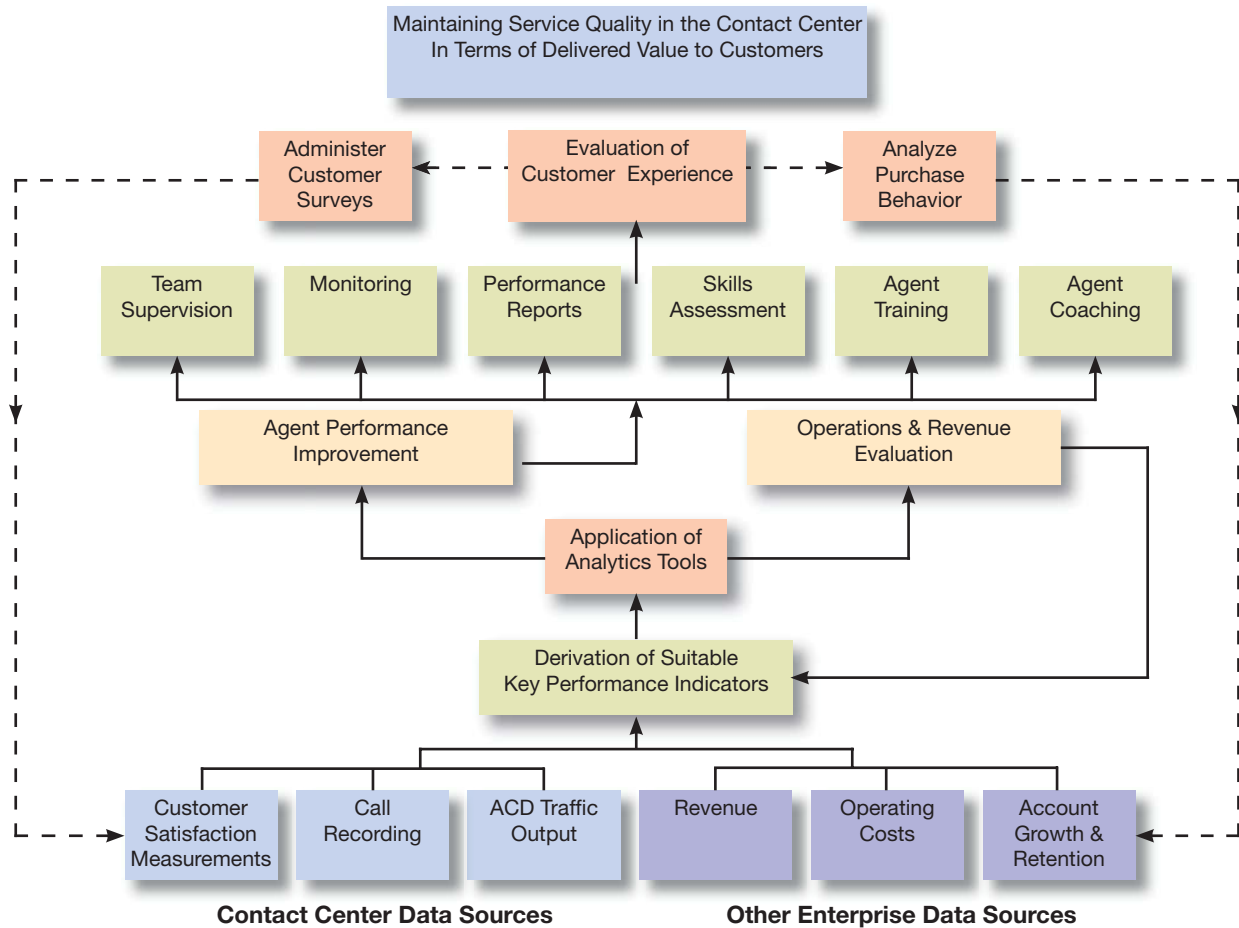
The question for contact centers, however, is the extent to which it should be necessary to pursue rigid training guidelines. The answer, from a customer perspective, lies in what evaluation and training practices will be necessary to create customer satisfaction with the best return on investment. While there is little doubt that uniformity is desirable, it is the extent of the investment in this effort that represents an ongoing challenge. Work skills optimization programs, together with measurements that indicate their effectiveness in terms of increased customer satisfaction and profitability, help determine the return on investment from training efforts.

**The extent of required training
is determined by what it takes
to create customer satisfaction
with the best ROI.**

CUSTOMER EXPERIENCE AND BUSINESS PROCESS INTELLIGENCE

Figure 4 illustrates the importance of customer experience with respect to the ongoing process of improving work skills. Not only can the analytics tools represented at the center of the chart help determine the selection and use of work skills optimization tools, they also help measure and report on the productivity and profitability of the contact center.

Figure 4: Customer Experience Feedback Loop



The above chart shows a customer-centered view of central office performance improvement practices. Key performance indicators (KPIs), are derived by the organization from the sources of raw data shown at the bottom. Analytics tools incorporate these measurements along with other data sources in focused reports that represent business intelligence that can be used to support decisions relating to contact center productivity and financial performance. Advanced analytics applications evaluate operations and revenue and provide account growth and retention data for use in deriving KPIs. Work skills optimization practices involve the use of quality assurance, performance evaluation and work skills optimization applications. The customer experience of working with contact center agents results in a source of feedback to help guide KPI development, as well as changed purchase behavior, a critical source of data for use throughout the organization.

THE ROLE OF BUSINESS INTELLIGENCE

Since in most industries it is less expensive to generate sales from existing customers rather than invest in new ones, investments in work skills optimization programs often make good intuitive sense. Even so, the return on investment from these efforts should be measured as accurately as possible.

On the cost side, the total cost of the program is important in terms of what it will take to ensure ongoing commitment and follow-through. On the benefits side, factors such as the value of long-term customer relationships, public image promotion, positive effects on agent turnover and morale, and the effect of competitive distinction should all contribute to decisions related to investments in work skills optimization training programs and applications tools.

Good business intelligence results from the aggregation of performance measurements from a variety of sources. The two central elements of Figure 4, Evaluation of Customer Experience and Application of Analytics Tools, both involve applied business intelligence in support of decisions that affirm and promote contact center productivity and profitability.

Good business intelligence
requires aggregation of
performance measurements
from a variety of sources.