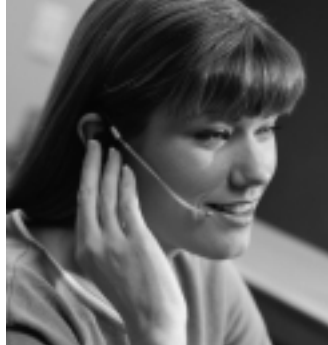




## BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES



## BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES



## FOREWORD

Since publishing **Good Practice Guidelines for the Establishment of Contact Centres** in February 2003 we have received a considerable amount of feedback from colleagues in the public and voluntary sectors involved in running or developing contact centres. Those who are new to the contact centre environment have told us that they find much of the language unfamiliar and confusing and that they would welcome some guidance in this area. Others have expressed an interest in the benchmarking options that are available to them and how to balance qualitative and quantitative measures to give a holistic picture of their performance.

This booklet attempts to address both of these issues. It provides definitions for 100 of the most commonly used words and phrases and their definitions and discusses what benchmarking is and the different aspects that make up a holistic benchmarking tool.

The modernised public sector that the Scottish Executive wants to see is one designed from the viewpoint of the customer – meeting people's needs in ways that are convenient for them. And that means all the citizens of Scotland, particularly those currently most excluded, who are often the most vulnerable members of our community, and the ones most in need of our services. Contact centres clearly have a role to play in realising this vision and we hope that this booklet will help to support the many contact centre initiatives that are being driven forward by the Scottish public and voluntary sectors.

The **Good Practice Guidelines for the Establishment of Contact Centres** can be found at <http://www.scotland.gov.uk/library5/finance/gpcc-00.asp>

**The Scottish Executive  
21st Century Government Unit**

## **ACKNOWLEDGEMENT**

The Scottish Executive in partnership with the Call Centre Association (CCA) recognised a need for a document that provided a glossary of commonly used contact centre terms and definitions often used in quantitative and qualitative benchmarking. This publication is the result.

We would like to thank the following people for their support and assistance:

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# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

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- Glossary of the most common used terms in contact centres
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#### Topics:

- Key quantitative measures including:
  - Human resource benchmarks
  - Technology benchmarks
  - Telephone benchmarks
  - Efficiency benchmarks
  - Service benchmarks
  - Cost benchmarks
  - Sales benchmarks

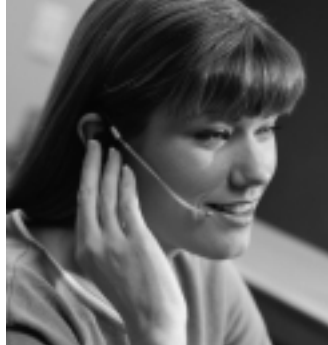
#### Key considerations:

- Quantitative benchmarking is a useful starting point to assess call centre standards and can be used to determine how a call centre is performing at the present time as well as looking towards aspirations for the future.

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#### Topics:

- Key qualitative measures including:
  - Skills benchmarks
  - Data benchmarks
  - Process benchmarks
  - Employee benchmarks
  - Customer benchmarks
  - Management benchmarks



#### **Key considerations:**

- Benchmarking is an ongoing process and performance and best practices are constantly evolving. It is important for operations to continually update their benchmarking to take into account internal and external changes.

### **SECTION 4: AN ALTERNATIVE APPROACH TO BENCHMARKING 37**

#### **Topics:**

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  - Data Envelopment Analysis (DEA)
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#### **Key Considerations:**

Measuring and managing the quality of the customer experience delivered via contact centre conversations is not only possible but imperative to success. The emergence of robust and reliable research methods will allow you to regulate conversational quality and create interactions that are both high in quality and differentiated in character.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## SECTION 1: 100 CALL CENTRE DEFINITIONS (A-Z)

Below are 100 frequently used words and phrases, along with a range of definitions. There are a number of locations on the web where additional information can be found, should any gaps remain unfilled, and some of these web pages are listed at the end of this chapter.

### **ABANDONED CALLS**

Calls which arrive at the ACD but terminate before an agent has answered. See also Lost Call.

### **ACD – AUTOMATIC CALL DISTRIBUTOR/DISTRIBUTION**

Technology which facilitates the handling of large call volumes by controlling the order in which calls are offered to agents, routing calls to particular agent groups and providing a wide range of statistical information used in managing a call centre. Either hardware or software based, the ACD offers sophisticated options for call handling within a centre.

### **AGENT EFFICIENCY**

The time an agent spends in Talk Time and After-Call Work, handling a transaction.

### **AGENT ID**

The identity code used by agents to log into the ACD system. The code enables the system to track performance.

### **ANI – AUTOMATIC NUMBER IDENTIFICATION**

A feature which enables the caller's own telephone number to be forwarded at the same time as their call, so they can be identified.

### **ANNUALISED HOURS**

Allows employees to contract to work a set number of hours per year and then agree with the employer on the actual distribution of hours by days, weeks, or seasons to fit their mutual convenience.

### **ARCHITECTURE**

The overall design of hardware or software. 'Open architecture' means the design of the programming can be changed by users.



### **ATTRITION**

The term used to cover loss of staff from a centre usually described as a percentage of total staff. To fully understand attrition the reasons for staff loss need to be understood.

### **AUTO ATTENDANT**

A recording which asks the customer to either press buttons on the keypad or state which extension they want. The system then automatically routes their call.

### **AUTOMATIC DIALLER**

See also OUTBOUND DIALLER, POWER DIALLER, PREDICTIVE DIALLER)  
Allows outbound calls to be made automatically and on answer refers the connection to a free agent.

### **AVAILABLE**

An agent who is logged into the ACD and waiting for an inbound call. Also called idle or ready.

### **AVERAGE HANDLE TIME (AHT)**

The sum of the average Talk Time and the average After Call Work for a specified period.

### **BACK OFFICE**

That part of an organisation which does not have a first line interface with the customer. The back office will usually deal with fulfilment, paperwork and more complex problems requiring a degree of expertise.

### **BENCHMARKING**

The process of measuring products, services and practices against the market, competitors or those companies recognised as industry leaders.

### **BLENDING**

Where the same agents work on both inbound and outbound calling during any one day dependent on volume requirements.

### **BLOCKED CALL**

A call that cannot be connected immediately because (a) no line is available at the time the call arrives, or (b) the ACD is programmed to stop calls from entering the queue when the queue exceeds a defined size.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## **CALL/CONTACT CENTRE**

'Contact Centre' is gradually replacing the term 'Call Centre' because it more accurately describes the activities now taking place. In addition to telephony, contact centres provide customer access through e-mail and progressively through web chat. A simple overview of contact centres is focussed in three areas:

- **People**

The basic skill set is literacy, some technology skills or at least keyboard skills, good interpersonal communication skill and, for e-mail and web chat reasonable spelling and grammar capability.

- **Process**

Contact centres exist across all industries and sectors. Split broadly into inbound and outbound activity the work involves communicating with customers to identify new business opportunities or provide service.

- **Technology**

Increasingly, the simpler activities in contact centres are becoming automated leaving the human operator to deal with the more complicated interaction. As voice recognition improves even further this trend will continue.

## **CALL OR CONTACT CENTRE AGENT**

The person who receives or makes calls in a call or contact centre.

## **CALL OR CONTACT CENTRE MANAGER**

Person with overall operational responsibility for the management of the call or contact centre.

## **CALL SCREENING**

A process for directing calls via an auto attendant or IVR system.

## **CALLER IDENTIFICATION**

The identification of the inbound caller in a call or contact centre from their telephone number. Potentially, this enables customer details to be retrieved from the customer database and displayed on the agent's screen (screen popping). It is also called 'calling line identification,' 'automatic number identification' and 'calling party number.'

## **CALLING LINE IDENTITY (CLI)**

Technology which enables a caller's number to be (optionally) forwarded with the call, thus facilitating identification.



### **COMPUTER-BASED TRAINING (CBT)**

A process which, through interaction between a user and a computer, training is delivered at the user's pace. Access is through a specific programme or can be web based. The benefit claimed for CBT is that it can be utilised at the desk during slack periods.

### **COMPUTER TELEPHONY INTEGRATION (CTI)**

The software, hardware and programming that automatically links voice with the data stored in the computer providing sophisticated customer management possibilities. CTI will usually allow calls and accompanying computer screens to be passed between workstations for referral.

### **CONTACT MANAGEMENT**

Contact Management is a software solution which allows instant company wide access to detailed and integrated contact information

### **COST PER CALL**

This is calculated by dividing the number of calls handled into the full cost of the entire call centre operation. There can be issues in comparing costs on this basis unless operational costs are understood across the comparators.

### **COST PER CALL MINUTE**

This is calculated by multiplying the average length of call (in minutes) by the number of calls and dividing this figure into the full cost of the entire call centre operation.

### **CROSS SELLING**

Selling related goods and services to a customer.

### **CUSTOMER INTERFACE**

The point of interaction with the customer – including web, telesales operator, call centre, or face to face.

### **CUSTOMER RELATIONSHIP MANAGEMENT (CRM)**

Where companies record and use a variety of methods and contact strategies to try to build lasting and profitable relationships in order to retain the best customers and generate profitable revenue.

### **DATA CLEANSING**

The process of removing inaccurate and historical data from operational systems.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## **DATABASE**

Any collection of information, but generally one which can be segmented and searched automatically.

## **DDI – DIRECT DIAL INWARD**

The option to dial directly into a company and reach a specific extension without going through a switchboard.

## **DISASTER RECOVERY/BUSINESS CONTINUITY**

A process intended to provide up to date operational plans to handle and/or recover from serious or catastrophic events.

## **e-BUSINESS**

All business that is conducted over or from the Internet, digital television or via e-mail.

## **e-COMMERCE**

Trading where the transaction, including payment, takes place over the Internet.

## **e-LEARNING**

Learning together through the internet without necessarily physically being together.

## **ELECTRONIC MAIL RESPONSE SYSTEM**

Software that can draw information from an electronic 'knowledge base' in order to send an almost instant automatic response by electronic mail.

## **ERLANG**

A formula developed to determine call traffic management including scheduling of agents, call forecasting and service level achievement. There are several versions of the formula, each with a slightly different purpose.

## **EXTRANET**

Internet-like system where, in addition to staff access is extended to specific users outside the company, for example special customers or suppliers.

## **FAX BACK**

A facility which allows information to be given to a remote fax machine so that a fax response can be obtained automatically.



### **FAX PREFERENCE SERVICE**

The Fax Preference Service was set up by the Direct Marketing Association (UK) Limited (DMA) in 1997 as a voluntary self-regulatory mechanism to enable consumers to opt-out of receiving unsolicited sales and marketing faxes at home.

### **FIREWALL**

A security system intended to protect a network against external threats (from other networks, such as the internet). A firewall prevents computers on the organisation's network from communication directly with non-authorised computers.

### **FULFILLMENT**

The business process which deals with taking orders for goods and services and ensuring that they are delivered in accordance with promises made. Some products can be delivered electronically while others require to be physically delivered.

### **FULL-TIME EQUIVALENT (FTE)**

The number of agents employed or required expressed in terms of total man-hours required divided by the number of hours a full time agent would normally work.

### **HELP DESK**

A term that generally refers to a call centre set up to handle queries about product installation, usage or problems. The term is most often used in the context of computer software and hardware support centres.

### **IDLE**

Describes an agent who is available and waiting for a call to come in. 'Available' or 'Ready' may also be used.

### **INBOUND**

Calls made to a centre.

### **INTELLIGENT ROUTING**

A process which will take information from callers via auto attendant or IVR and utilise that information to ensure that calls are directed to a specific area of the call centre.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## **INTRANET**

A network of networks that uses the internet but is contained within a controlled environment, for example, internal company information that can only be viewed by employees.

## **IVR – INTERACTIVE VOICE RESPONSE**

Software which will automatically interact with a caller either through a keypad or using voice recognition software. IVR will provide information or direct calls as appropriate.

## **IVW – INTERACTIVE WEB RESPONSE**

Enables customers to transact business over the Internet, interacting with the company's database, then transfer to an agent in the contact centre to continue the transaction over the phone or via web chat.

## **KEY PERFORMANCE INDICATORS (KPI)**

Those areas identified by organisations as being critical to their successful performance.

## **KNOWLEDGE MANAGEMENT**

A process that collates the information available within an organisation and makes it available in a user-friendly manner to identified groups within or external to the organisation.

## **LOAD BALANCING**

The capability to switch calls between different call centres depending upon call volumes and agent availability, creating a virtual call centre.

## **LOCAL AREA NETWORK (LAN)**

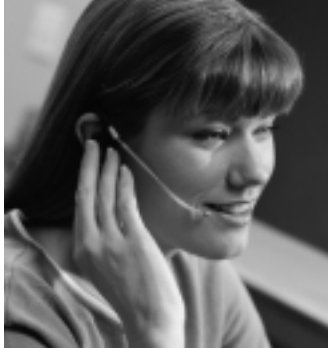
The connection of multiple computers within a building, so that they can share information, applications and peripherals.

## **LOST CALL**

Calls which arrive at the ACD but terminate before an agent has answered. See also Abandoned Call.

## **MIDDLEWARE**

Software that integrates different types of hardware and software on a network in a more efficient manner.



### **MIS – MANAGEMENT INFORMATION SERVICES**

ACD reports providing data on agents and agent groups, inbound and outbound calls, and exchange lines.

### **MONITORING**

The process of listening to agents' telephone calls for the purpose of maintaining quality.

### **MULTIMEDIA**

Combining multiple forms of media such as voice and web in the communication of information.

### **MUSIC/MESSAGING ON HOLD**

Music or service or sales messages played during the period when a caller is placed in a queue or on hold.

### **OCCUPANCY/UTILISATION**

The percentage of time an individual agent, or all agents (average) are actively occupied during talk time and wrap up time usually expressed as a percentage of total logged on time.

### **OFFERED CALLS**

All of the attempts callers make to reach the call centre.

### **OUTBOUND**

All calls that are made by the call centre.

### **OUTBOUND DIALLER**

This automates outgoing calls and has various levels of sophistication. See Power and Predictive Dialler.

### **OUTSOURCING**

A service in which an external call centre is employed to provide voice and related services under contract.

### **OVERFLOW**

When calls are flowed from one Agent Group to another in order to be handled more quickly or efficiently.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## **POWER DIALLER**

Allows outbound calls to be made automatically and on answer refers the connection to a free agent. See also Power and Predictive Dialler.

## **PREDICTIVE DIALLER**

Software which regulates the number of outbound calls made based on the probability of an agent being available. See also Power and Predictive Dialler.

## **PROGRESSIVE DIALLER**

Monitors the status of operators before calls are made and keeps agents supplied with live calls and virtually eliminates nuisance calls.

## **PSYCHOMETRIC TESTING**

There are three main types of psychometric testing: (1) ability testing; (2) aptitude testing; and (3) personality testing. These are designed to test a person's potential to fulfil and succeed in particular roles.

## **QUEUE**

Where calls are held when no agents are free.

## **QUEUE TIME/QUEUING**

The number of seconds a call waits in queue before handling.

## **READERBOARDS**

A visual display, usually mounted on the wall or ceiling, that provides real-time and historical information on queue conditions, agent status and call centre performance.

## **READY**

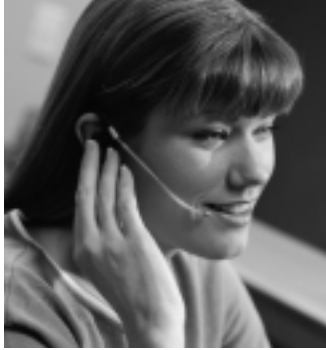
Describes an agent who is logged into the ACD and available and waiting for a call to come in. 'Idle' or 'Available' may also be used.

## **RESPONSE TIME**

The measurement used to describe the period in which a customer awaits a response either from a call centre or from a website.

## **RING TIME**

The length of time between dialling and the call being answered either by a live agent or the ACD delay announcement.



### **SCREEN POPPING**

Where integration between the computer and the telephone (CTI) enables the system to attempt identification of each call and look into the database for a match, and, if available, to deliver a caller information screen with the call.

### **SEATS**

Positions or consoles at which agents can work within a call centre. Usually each seat will have a computer terminal and an ACD turret. Each seat may represent more than one employee where multiple use of equipment is the norm.

### **SERVICE LEVEL**

The percentage of calls you expect to handle in a specific number of seconds.

### **SERVICE LEVEL AGREEMENT**

Performance objectives reached by consensus between the user and the provider of a service, or between an outsourcer and an organisation. A service level agreement specifies a variety of performance standards that may or may not include 'service level'.

### **SKILLS-BASED ROUTING**

Where calls are identified and then routed through to the most appropriate agent.

### **SMS**

Also known as text messaging, these are written messages sent from or received by mobile phones.

### **SPEED TO ANSWER**

The time from a call arriving at the ACD to being answered by an agent.  
Average Speed of Answer (ASA): The average length of time a caller waits to be connected to an agent – the total delay divided by total number of calls.

### **SUPERVISOR**

The person who has front-line responsibility for a group of agents.

### **SWITCH**

The telephone system and/or ACD.

### **TALK TIME**

The time in seconds an agent is talking, from answering a call to the caller hanging up.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## **TEAM LEADER**

Person with some supervisory or managerial responsibilities for a team of agents who may also work as an agent taking or making calls

## **TELEMARKETING/TELESALES**

The terms 'telesales' and 'telemarketing' refer to any form of customer contact using the telephone that supports a number of sales and marketing objectives.

## **TELEPHONE PREFERENCE SERVICE**

The Telephone Preference Service was set up by the Direct Marketing Association (UK) Limited (DMA) in 1995 as a voluntary self-regulatory mechanism to enable consumers to opt-out of receiving unsolicited sales and marketing calls.

## **UNAVAILABLE**

Agent status when logged on to the ACD but not available to take calls, for example during paid breaks or coaching sessions.

## **VIRTUAL CALL CENTRE**

A call centre consisting of several sites that acts as a single site for call handling and reporting purposes.

## **VOICE OVER IP**

Where a voice conversation with an agent is maintained over the same telephone line as the Internet connection.

## **VOICE PROCESSING**

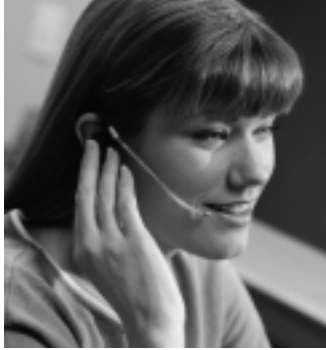
A generic term for a variety of applications such as IVR, voice mail and auto attendants.

## **VOICE RECOGNITION**

The capability of a voice processing system to recognise and decipher spoken words and phrases.

## **WEB ENABLED**

When the user clicks a 'press to talk' icon on a web page it initiates a call directly into the contact centre through a process called 'Voice Over IP'. The agent's screen may automatically 'pop' with the web page the browser is viewing as the call comes through.



### **WORKFORCE MANAGEMENT SOFTWARE**

Software systems that forecast call load, calculate staff requirements, organise schedules and track real-time performance of individuals and groups.

### **WRAP UP**

The time spent completing work associated with a call after the caller has hung up. Also commonly referred to as After Call Work.

### **WRAP-UP CODES**

Codes agents enter into the ACD to identify the types of calls they are handling. The ACD can then generate reports on call types, by handling time, time of day, etc.

## **ADDITIONAL SOURCES OF CONTACT CENTRE DEFINITIONS**

### **Call Centre Focus**

[www.callcentre.co.uk](http://www.callcentre.co.uk)

### **COICommunications**

[http://www.coi.gov.uk/ccg/gcc\\_final.pdf](http://www.coi.gov.uk/ccg/gcc_final.pdf) (Section G, Glossary)

### **CRM Software 24x7**

<http://www.crm-software-24x7.com/Content/Pages/Glossary.aspx>

### **Keith Dawson**

Call Centre Dictionary – <http://www.cmpbooks.com/product/1014>

### **European Centre for Customer Strategies**

<http://www.eccs.uk.com/eccs/resources/glossary.asp>

### **European Marketing Portal**

<http://www.eu-marketingportal.com/crm/glossareng.php>

### **Incoming Calls Management Institute**

<http://www.incoming.com/Glossary/index.aspx?SelectedNode=67>

## SECTION 2: QUANTITATIVE BENCHMARKING

### 2.1 INTRODUCTION

Call centre benchmarking can be defined as the measurement and comparison of practices and standards, within an organisation and/or with other operations externally, which can enable the adoption of effective management practice and drive decision making and improvements.

The most comprehensive form of benchmarking is one that involves all aspects of a call centre: operations, standards, physical characteristics, IT and telephony infrastructure, HR, recruitment and training practices and financial information. However, smaller studies can also provide a very valuable insight into key metrics and how your centre measures up to others.

Many of the areas are included in the CCA Standard Framework (Section 5 Service Performance and Organisational Efficiency), e.g:

- 5.1 Standards have been set for key activities related to the centre and are measured
- 5.2 Standards are understood by employees and plans are in place to achieve/maintain the standards agreed.

Most call centre environments can be rigorously measured and controlled, and so lend themselves well to quantitative benchmarking. IT and telephony systems such as the ACD (Automatic Call Distributor) are able to easily extract required data.

Anyone involved in either the design, direction or management of call centres can gain invaluable information from this activity.



Individual/ Role	Benchmarking Interest
Call Centre Manager	<ul style="list-style-type: none"><li>• Comparing own call centre with performance of others</li><li>• Determining strengths and weaknesses</li><li>• Setting targets and quantifying how much improvement is realistic.</li></ul>
Team Leader	<ul style="list-style-type: none"><li>• Deciding areas of focus on a day-to-day basis</li><li>• Comparing performance of team members</li></ul>
Director responsible for Call Centre	<ul style="list-style-type: none"><li>• Reviewing areas of cost and benefit</li><li>• Setting future direction and strategy for the call centre</li><li>• Awareness of developments in the industry</li></ul>
Team setting up new Call Centre	<ul style="list-style-type: none"><li>• Agreeing service levels and measures</li><li>• Resource planning</li><li>• Developing methods of working</li></ul>

## 2.2 THE BENEFITS OF BENCHMARKING

Considerable benefits can be gained from benchmarking a call centre. Selecting areas to focus on and gathering required data can be a valuable management exercise in its own right. Indeed, it may highlight areas which have not been previously considered on a regular basis.

Comparisons can then be made with other centres, which is a valuable way to evaluate the operation, justify improvements and bring about changes. Actions taken as a result of the information can then result in improvements to productivity, customer satisfaction and cost and revenue.

There are 4 steps to the benchmarking process; below is shown the benefits at each stage:

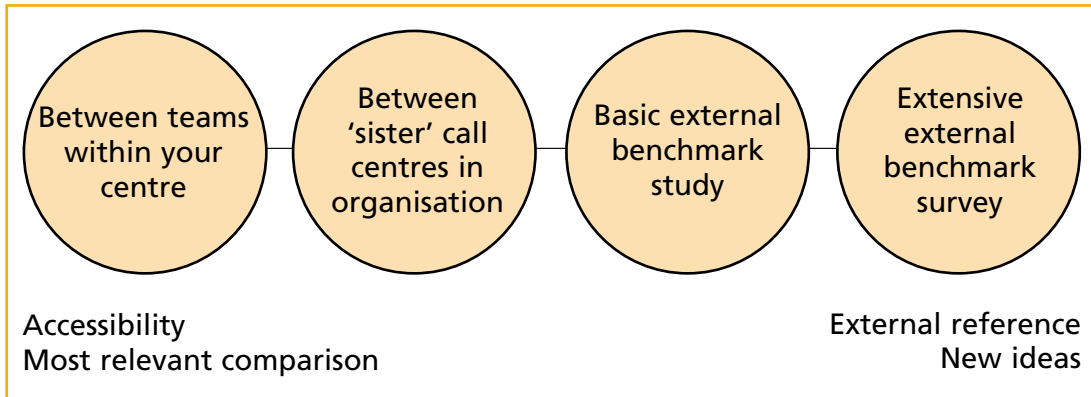
# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

Benchmarking Process	Benefits
<p><b>Selection of Benchmarks</b> Deciding which areas to focus on for measurement and monitoring</p>	<ul style="list-style-type: none"> <li>• Provides a focus for the organisation</li> <li>• Develops call centre policy, performance measures and objectives</li> </ul>
<p><b>Data Collection</b> Gathering information from automated and manual systems</p>	<ul style="list-style-type: none"> <li>• Ensures measurement systems are consistent</li> <li>• Requires staff to know and understand the operation well</li> <li>• May require some data previously not viewed to be collected</li> </ul>
<p><b>Analysis of Information</b> Comparison of information between teams, centres and externally</p>	<ul style="list-style-type: none"> <li>• Helps to evaluate operations</li> <li>• Identifies strengths and weaknesses</li> <li>• Provides a breakdown and comparison of trends, standards and expectations of call centres</li> <li>• Highlights external and competitor developments</li> </ul>
<p><b>Actions taken as a result of Benchmarking</b> Improvements made and changes implemented</p>	<ul style="list-style-type: none"> <li>• Enables better management of business</li> <li>• Brings about improvements to operating efficiencies</li> <li>• Develops management practice</li> <li>• Aids future development planning</li> <li>• Improves customer satisfaction and retention</li> </ul>

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## 2.3 TYPES OF BENCHMARKING

The most accessible form of benchmarking is within the centre or organisation. There are considerable benefits to be gained from comparing different call centres within the same organisation, which are often managed quite differently and could learn from each other. The other main strength of this is that it is the most relevant comparison in terms of the work undertaken, the processes used and the culture. Confidentiality should not be an issue, and it may be possible to get to know the other centre on an in depth, one-to-one basis.



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Whilst internal benchmarking is recommended, it is equally important to benchmark against the industry as a whole. Business and consumer expectations are influenced over time by their experience of a whole range of products, services and organisations.

There are a number of industry bodies, research organisation and call centres companies who offer organisations the chance to participate in benchmarking surveys, of varying complexity, size and cost.

## 2.4 SETTING BENCHMARKS

Within a centre, quantitative benchmarks should be selected using the SMART principle:

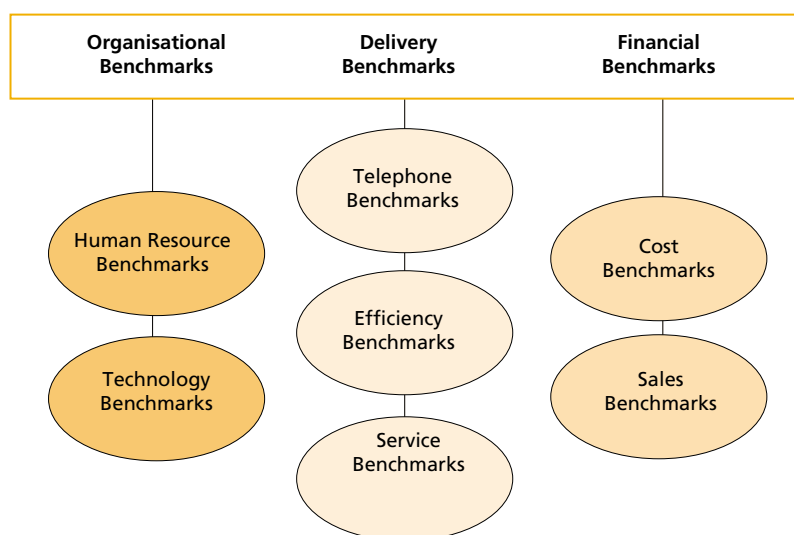
- S** Specific – clear and precise, easy to understand and communicate to others
- M** Measurable – tangible, measurable and easy to monitor
- A** Agreed – accepted as the desired focus by all parties in the call centre
- R** Relevant – relevant, given the activity of the operation
- T** Time bound – specific in terms of the timescales for measurement

Where benchmarks are to be set for comparing individuals, it is advisable to make them consistent with the average of the best current performers.

## 2.5 KEY QUANTATIVE MEASURES

There are hundreds of measures which could be used for benchmarking in a call centre. When making comparisons, a range of measures should be selected:

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES



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## 2.6 HUMAN RESOURCE BENCHMARKS

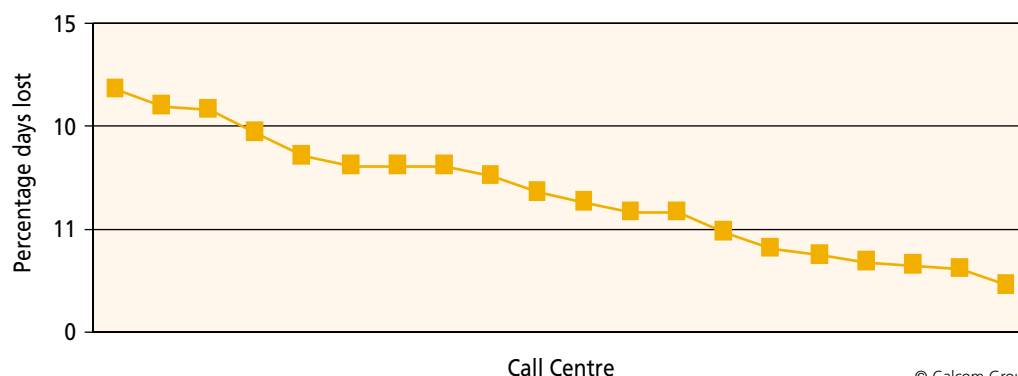
### Absenteeism

This is the average number of agent days lost through sickness and unauthorised absence as a percentage of contracted days annually, e.g.  $15 \div 260 + 5.8\%$ , and should include all forms of unauthorised absence including long term sick. Ideally, if systems allow, this should be measured on a rolling month basis.

#### Absenteeism

Mean = 6.6%

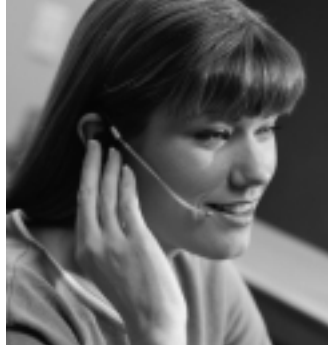
Median = 6.5%



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This is a key benchmark as it is an indicator of underlying motivational and stress problems, and affects productivity and potential revenue. It is important to measure agent absenteeism separately from that of the managers and team leaders as there is usually quite a difference.

A best practice figure to use for comparison purposes is 5-6%.



## Attrition

This is the staff turnover annually, expressed as a percentage. It is calculated by taking the number of people that have left the call centre for whatever reason as a percentage of the total number of staff. It is important to use the actual number of heads, rather than the full time equivalent (FTE) as the impact of attrition is the cost of re-recruitment and re-training of replacements, and this is on a per head basis.

This benchmark can show just those who leave the organisation (external attrition) or all leavers which would include those who move on to other roles either within the call centre or the organisation.

There are many factors affecting attrition; as well as internal factors such as the salary offered, type of contract, job satisfaction and career progression there are external factors such as the make up of the local labour market and whether there are other competing call centres nearby.

Attrition levels differ by industry and geographical location. A best practice figure would be between 15 and 25%. It is healthy to have a certain level of turnover, and therefore possible to have a level which is "too low".

## 2.7 TECHNOLOGY BENCHMARKS

### Core system % downtime

All call centres are reliant on technology, and a key technology benchmark is the amount of systems downtime, calculated as the percentage of time that the call centre is operational, and includes telephone as well as computer systems.

This indicator can highlight unreliability due to lack of investment in technology, or times at which there is non availability due to development or testing work being undertaken.

As a benchmark, systems should be available the whole time that the centre is operational including weekends, and the downtime percentage should be no more than 2%. The appropriateness of the benchmark should be viewed in light of the kind of work being undertaken, for example emergency services would require certain systems to be available 100% of the time.

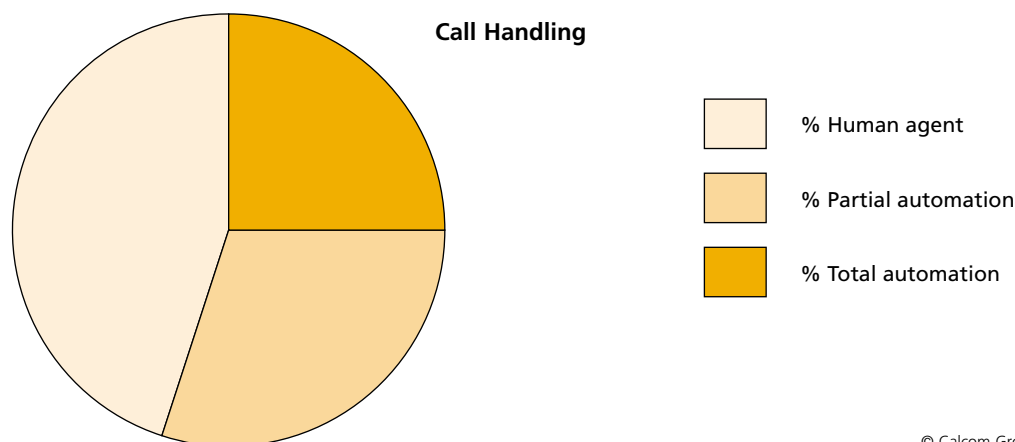
# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## Systems support response times

Another technical benchmark is the speed at which technical support respond to individually reported problems in the call centre, and this would be measured in hours. It may also be appropriate to categorise the different types of request, as there will be differences in expected time of resolution.

## % contacts handled by automated services

With the advent of automated technology, where customers can resolve queries through “self service”, either through entering information on the touch pad of the telephone or speaking to a voice recognition system, this benchmark is a useful indicator of the take up of these facilities. This information is available through the telephone systems.

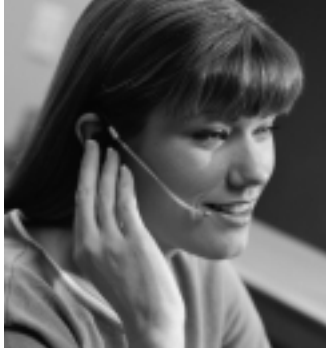


When comparing this information, it is important to compare with organisations that do calls of a similar type of complexity. Examples where full automation is used are: utilities for collecting meter readings, financial services for giving basic account information and card activation, travel and event companies for giving standard information about timings and locations.

## 2.8 TELEPHONE BENCHMARKS

### Service level/Grade of Service

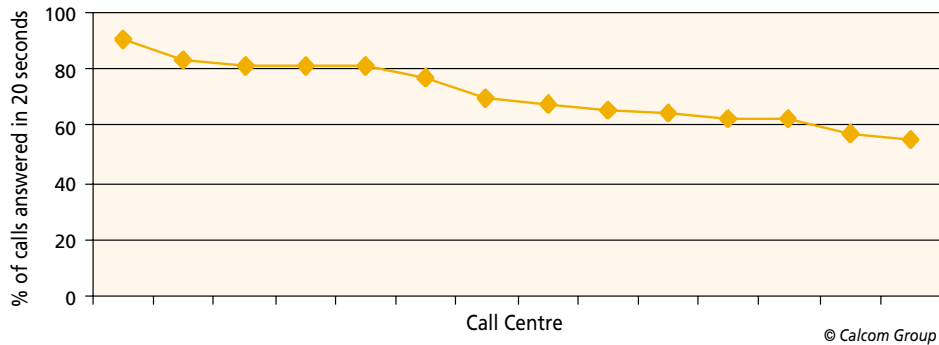
The service level benchmark is one most commonly used to demonstrate the service which a call centre provides to its customers. It is the percentage of calls received by the centre that are answered by a human agent within a certain time frame, usually 10 or 20 seconds.



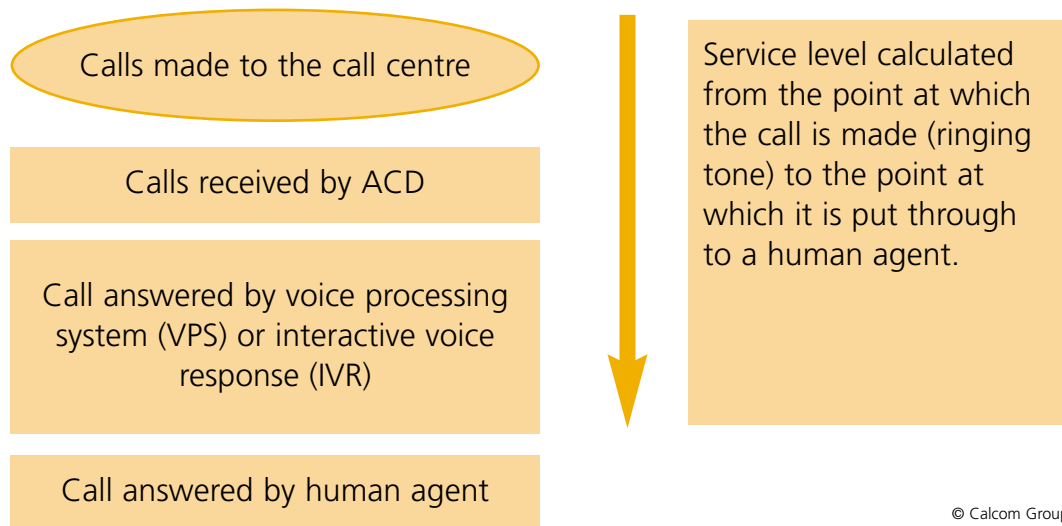
### Service Level

Mean = 73%

Median = 70%



This information is available from the ACD, and the configuration of the phone system should be taken into account to ensure that the measurement is consistent, as there are different stages which could be included:



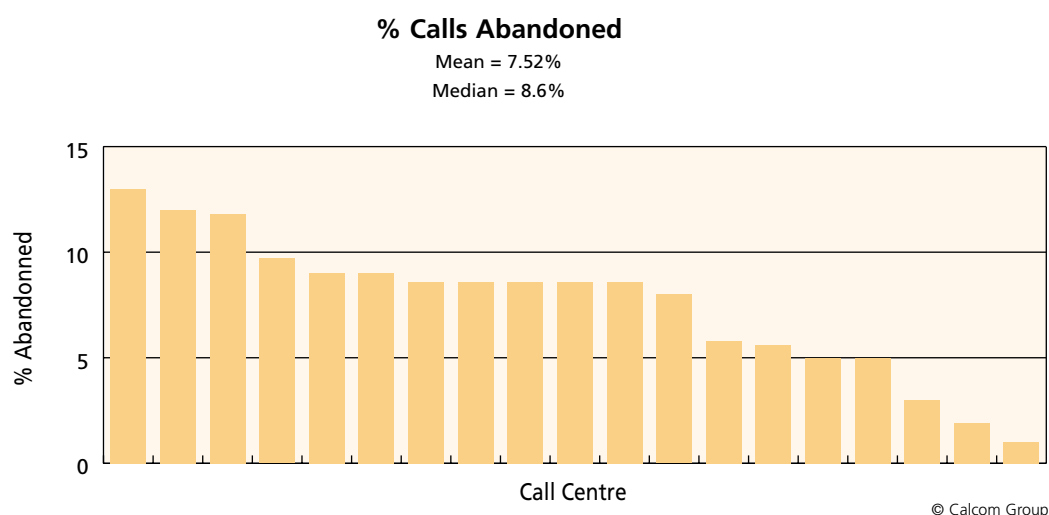
### Average speed to answer (by human agent)

The speed to answer is related to the service level, but it also takes account of all the calls that are not answered within x seconds, producing the average overall.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## Calls abandoned

Calls abandoned is the number of calls that are abandoned, and includes those which abandon before the IVR/VPS and those which abandon whilst queuing for a human agent. This is then expressed as a percentage of all the calls received.



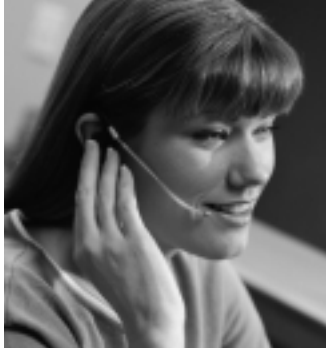
The propensity for customers to abandon will vary considerably depending on the expectations that they have of the service being provided.

A guideline benchmark is between 3-8%, and best practice would be 3-5%. In many situations a consistent abandoned rate of less than 2% is likely to indicate low staff utilisation.

## Number of calls answered per hour

A key measure of productivity is the number of calls taken per hour. This is affected by the skill and motivation of the agents, the speed of the systems, the type of calls, the amount of after call work and follow up calls, and how closely matched the resourcing levels are to the volume of calls coming into the centre.

This measure usually just includes the number of inbound calls answered. If the agents are doing outbound or follow up calls as well, this will need to be taken into consideration.



### Average time to abandon

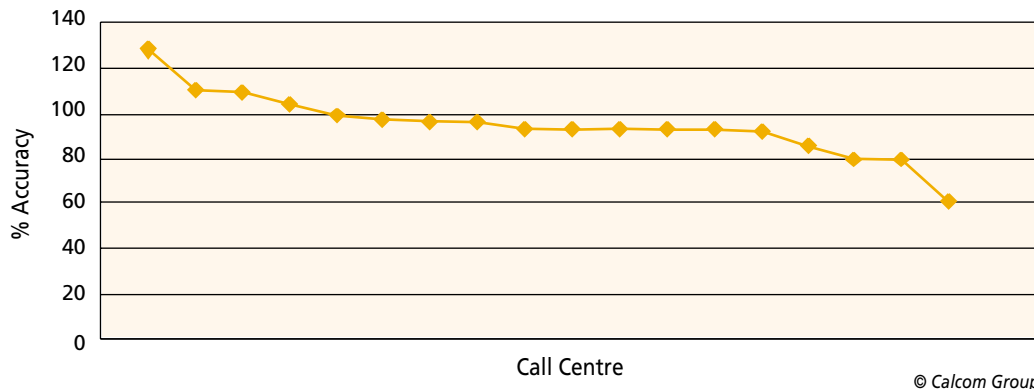
The average time to abandon is the length of time in seconds that a customer waits in the queue (from the time that the call is answered by the system) until they abandon. This is obtained from the ACD.

An average benchmark is 40-60 seconds. Customers tend not to queue for an agent to answer their call for more than a minute, except in exceptional circumstances, and customers who wait two minutes or longer are either in real need of assistance or have come to expect this level of service from an organisation. Much depends on whether the caller has any alternative – whether they can go elsewhere to satisfy the query.

## 2.9 EFFICIENCY BENCHMARKS

### Call Forecasting Accuracy

Mean = 95.1%  
Median = 93.7%  
Target = 100%



### Accuracy of call forecasting

Within a call centre, the accuracy of forecasting of volume, type and length of call is vital to enable the right level and mix of resources.

This information can be obtained from the call forecasting package such as Blue Pumpkin or CMS, or calculated manually.

If the actual calls are more than predicted, there will not be enough people to answer them and there will be pressure on the service level. If the calls are less, the agents will be under-utilised, having a negative impact on costs.

The target to aim for should be 100%, and +/- 5% is acceptable.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

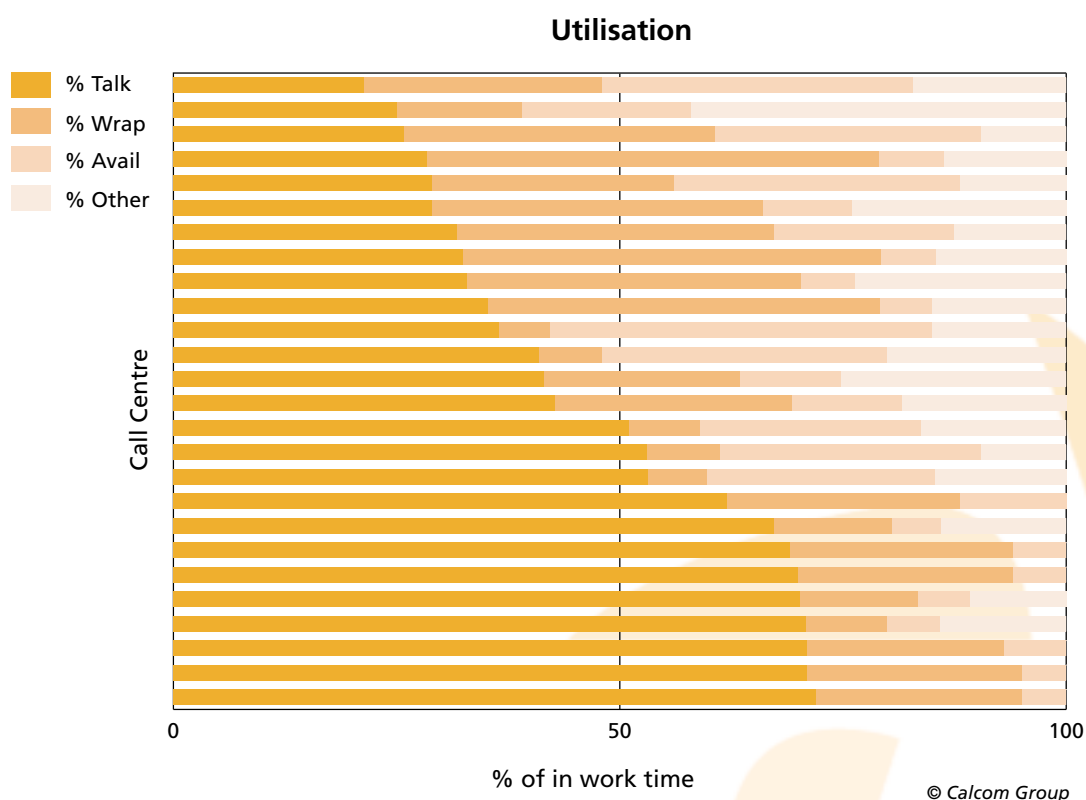
## Adherence to roster

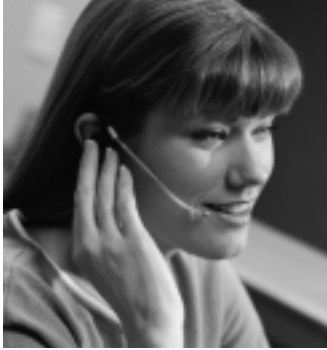
Call and workload forecasts are developed into rosters for all members of the call centre. A key efficiency benchmark is the adherence to these, i.e. are agents on time for their shift, do they go for lunch and breaks at the specified time, are they able to finish on time. This is particularly important in smaller call centres as there is not as much room for manoeuvre in terms of answering calls. It is also important to ensure that the agents are working their contracted hours.

This information is obtained from a workforce management package, or from manual timesheets.

## Utilisation

The main measure of productivity in call centres is utilisation, i.e. what are the agents doing in their in work time.





The main categories are:

- **Talk time** – the time spent speaking to customers on the telephone. This usually only includes inbound calls in a service centre.
- **Wrap Up – After Call work**. This is the time that an agent takes after the call has finished to complete the case and may include updating the system, completing forms etc associated with the call.
- **Available** – this is the amount of time that an agent is waiting for a call. This is often referred to as “idle” time but in practice agents often spend the time catching up on reading, emails etc whilst they are still logged in waiting for a call.
- **Other** – this can include team meetings, coaching sessions, admin, breaks and any other activity that is not involving call taking.

Agents should log out when it is their lunch break, as this is not paid for time.

This information is available from the ACD, but care should be taken as different systems will be configured in different ways, and have varying definitions. The amount of time in each activity will vary depending on the size of centre, service levels, systems used, type of activity, and amount of training and coaching undertaken. As a general rule, talk plus wrap should be no less than 65% and available should be less than 10% (or less in a very large centre).

### **% occupancy of workstations**

This benchmark shows how well used the workstations are, and will change at different times of the day, e.g. at peak times, during the evening shift, etc depending on the agent rotas and the extent to which the centre uses hot desking.

It is an important measure to highlight under-utilisation of capital expenditure in workstations and computer hardware and premises space, or at the other end of the spectrum, over-utilisation resulting in inadequate desk-space which affects productivity.

## **2.10 SERVICE BENCHMARKS**

### **Query resolution**

Query resolution can be measured in two ways:

- The amount of time it takes to fully resolve a query, including any call backs, research or internal calls
- The percentage of all calls that are resolved on the first attempt, without

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

the agent needing to refer the customer on to a colleague, their manager, or calling the customer back. On average this benchmark would be in the region of 70%, but this depends on the complexity of the problem and the way in which the centre is organised, for example if the agents are multi-skilled or if they have a system which provides the required information most of the time.

## **Ratio of inbound to outbound/onward calls**

The extent to which outbound or onward calls are required is a measure of first time resolution in a service call centre.

This information should be available from a call logger or from the ACD. However, this often does not include internal calls within the call centre, so the number could be underestimated.

## **Turnaround time**

As well as call handling, many call centres process other types of media such as post, emails and faxes.

It may be possible to get this information from a document logging/ workflow system or an email handling system. If this is not possible, a representative sample should be measured at regular intervals.

## **2.11 COST BENCHMARKS**

### **Cost per contact or call minute**

The cost per contact or call minute is a useful measure to compare the cost effectiveness of the call centre channel compared with other means of communicating with customers, for example face-to-face through a field force or walk in centre.

The cost per call should take account of all costs but exclude capital investment:

- Agent costs (salary, all on-costs, overtime etc)
- Management, supervisory and support staff costs
- Telephone bills
- Technology, systems and telecom costs (licences, support and running costs)
- Premises and facilities
- Contribution to overheads
- Other operational costs.



Economies of scale are usually much greater for larger call centres, so this should be taken into account when comparing cost data.

This data is usually quite a challenge to obtain in its entirety as in practice a lot of budgets are held outside of the call centre.

### **Cost to serve**

The cost to serve is another way of comparing the worth of the call centre compared with other channels.

It is calculated by taking the total call centre costs and dividing it by the number of customers. Two versions are possible – one for all customers and the other for “live” (i.e. people that have made some form of contact with the organisation in the last period of time) customers only.

### **Cost of complaints and compensation**

In certain organisations, the cost of complaints and compensation can be a significant expense. This is an important benchmark as it is a direct cost indicator of when things go wrong, and can often be used to put together a business case to make improvements.

There should be a mechanism in place to monitor the amount of compensation awarded, and who authorised it.

## **2.12 SALES BENCHMARKS**

The benchmarks used in call centres which are focussed on sales will be quite different from those concentrating on service. Measures such as contact rates (the number of customers that the agent has made contact with to make a sales presentation), conversion rates (initial enquiry to lead, outbound call to lead, lead to sale, lead to appointment/visit, etc), value per order and the extent to which cross- and up-sales have been achieved become important.

The benchmarks become more focussed towards results and less about quantity. This in turn, requires a mind-shift within the centre.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## The difference between sales and service benchmarks

Typical Service Call Centre Measures	Typical Sales Call Centre Measures
Speed of answer Contacts per day Call quality Call duration Cost per contact Productivity Abandoned rates Call volumes Grade of service Contacts	Contact rates Conversion rates Average order value Revenue per customer Special offers Value per order Results Value of up-sell and cross-sell Repeat business Loyalty Values and revenues Product holding Customers Sales vs target

As we see a further convergence of sales and marketing in call centres with integrated functions and products, in the future call centre benchmarking will encompass measures linking business outcomes with the call operations, such as:

- Customer profitability
- Customer loyalty and retention
- Customer share (of potential or product holding)
- Customer lifetime value.

With technology becoming more prevalent, e.g. CRM systems, it is only a matter of time before comprehensive benchmarking can be undertaken in these areas.



## 2.13 AREAS TO CONSIDER

Inevitably there are some areas which you need to be aware of and take into consideration when taking part in benchmarking exercises. On the whole, use of common sense is invaluable!

- **Survey size** – ensure that the survey is sizeable enough to produce a reliable benchmark
- **Confidentiality** – where data is being given to third parties or external research organisations, be aware of any specific information that will be released into the public domain
- **Relevance** – there can be marked variations in values for call centres of different sizes, sectors and locations, so it is important to consider these factors and note variations to come up with the most appropriate comparison for your centre
- **Definitions** – the call centre industry is full of jargon and definitions which vary (even within the same organisation!). Make sure that definitions are clearly explained and understood, and if in any doubt then ask the organiser of the benchmarking
- **Accuracy** – even with all participants making every effort to provide data as accurate as possible, there will invariably be some inaccuracies and inconsistencies (for example due to shortcomings in management information systems) which should be read with caution when analysing such information
- **Focus** – different studies will have a different focus, e.g. technology, people, industry specific, and it is important to keep this in mind
- **Interpretation** – benchmarks should be carefully interpreted. You should know exactly how the information was made up and how it relates to the specific workload and situation in your call centre.

Quantitative benchmarking is a useful starting point to assess call centre standards, and can be used to determine how a call centre is performing at the present time, as well as looking towards aspirations for the future. To gain a fuller picture, it is recommended that some form of qualitative benchmarking is also considered, and this is covered in the next chapter.

## SECTION 3: QUALITATIVE BENCHMARKING

### 3.1 INTRODUCTION

*"It is quality rather than quantity that matters."* Seneca (5BC – 65AD), Epistles.

Undoubtedly whilst all call centres have a focus on hard, objective measures, these cannot be viewed in isolation and a balanced approach to management including both performance and quality elements is fundamental. Compiling a qualitative view helps to set the quantitative data in a more meaningful context.

In order to be able to benchmark a call centre in these areas it is necessary to understand and 'feel' what is going on, by visits and discussions with the people managing the operation and those speaking to customers directly.

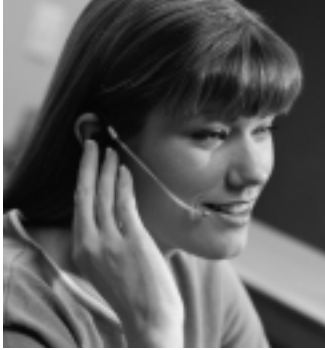
There is no doubting the importance of customer focus for the call centre as it is only through knowing the needs and requirements of customers that the operation can successfully service and sell to the existing client base or to new customers.

The result of this approach is the development of a balanced scorecard for each area of the operation identifying the key performance and qualitative indicators for each person or team in the call centre. The main areas that can be determined are as follows:

- What customers really think of the service being provided
- The impact on the staff within the call centre
- The extent to which legislation and compliance are adhered to
- Possible areas for improvement
- Future expectations in order to stay ahead.

Many of these areas are included in the CCA Standards Framework (Section 5 Service Performance and Organisational Efficiency):

- 5.1 Customer complaints are logged and reviewed. Action is taken to eliminate recurring complaints.
- 5.2 A complaints handling process is in place with target response times. Plans are in place to achieve/maintain targets.
- 5.3 A process is in place to gather customer feedback. Measures are set for satisfaction and plans are in place to achieve/maintain targets.



- 5.4 Arrangements are in place to manage call and contact centre internal relationships with other business areas and to identify, review and resolve issues as they arise.
- 5.5 Contingency and resiliency plans are in place, are kept up to date and are practised.
- 5.6 Forecasting and business planning are in place to manage the impact of activities on the operations.

### **3.2 THE SERVICE EXPERIENCE**

A range of factors governs consumer perception of the service experience. In specifying the service required all these factors must be considered both individually and holistically.

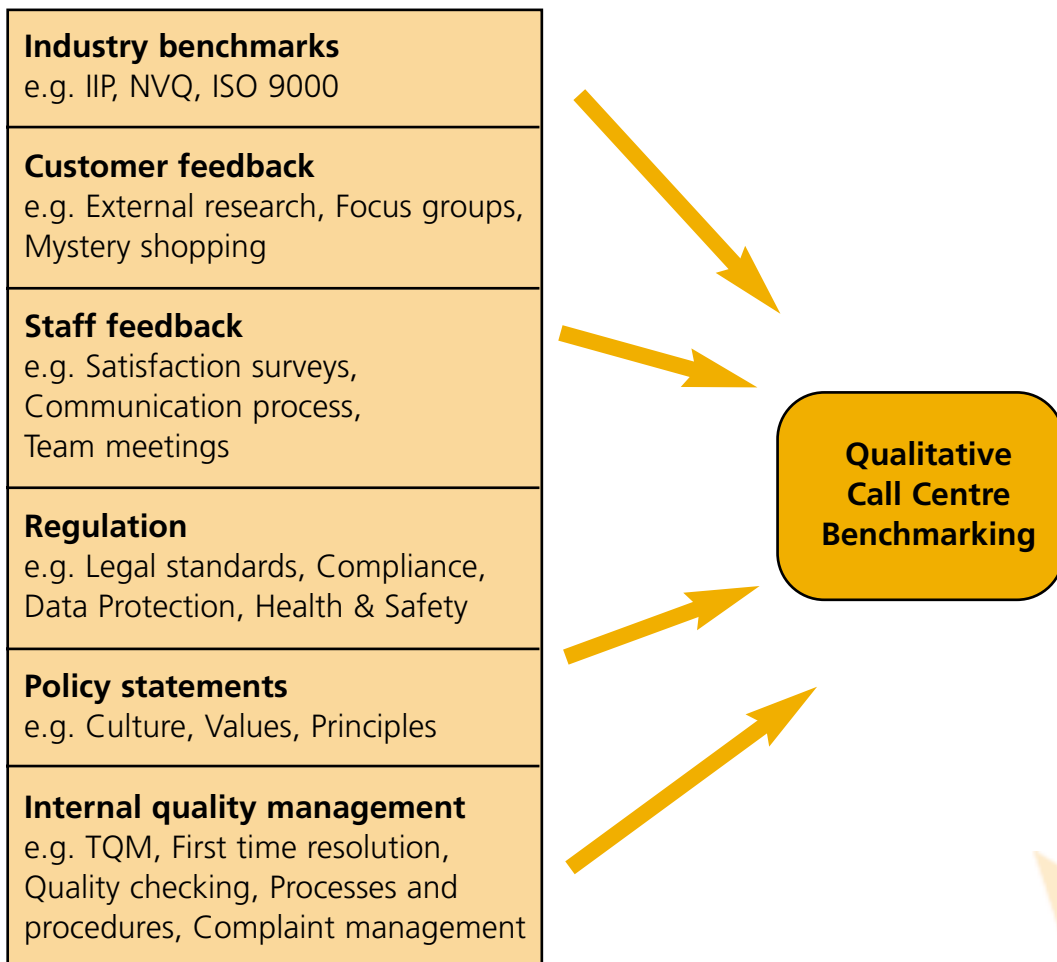
Clear corporate brand guidelines and values need to be well known and supported by employees in the contact centre. However, these brand attributes and values need to be interpreted to create a 'personality' or emotional connection that can be communicated through the service experience. This 'personality' must be consistently applied to all interactions and in the configuration of the supporting systems and processes (everything from IVR to shipping documentation).

- IVR – ease of use and navigation
- Speed of answer - rapidity of pick up by Advisor post IVR
- Welcome - introduction and tonality
- Ask – how was information requested
- Supply – how was information given and received
- Empathy and understanding
- Pace and control
- Call completion
- Clear and confident use of voice
- Brand perception – the human touch

The dynamics of service quality and the impact that this has on the customer are highly complex. There are many factors which need to be taken into account: customer focus, leadership and management style, process approach, continual improvement, involvement of people, decision making approach and culture.

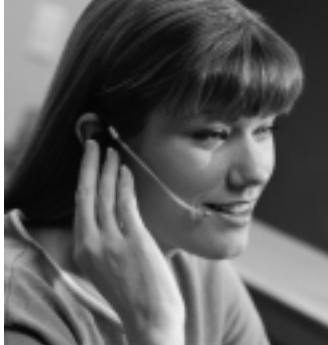
# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

In order to set qualitative benchmarks, it is necessary to 'know what good looks like' and set a profile of best practice with which to compare against.



In terms of benchmarking the quality aspects of an agent's work, there are a number of mechanisms at a manager's disposal:

- Coaching sessions
- 1-2-1 coaching
- Remote listening
- Side-by-side monitoring
- Test calling
- Customer feedback (positive as well as negative)
- Assessments
- Training needs analysis
- Issue escalation monitoring.



### 3.3 KEY QUALITATIVE BENCHMARKS

#### SKILLS BENCHMARKS

##### Competencies

An area to consider is whether the competencies of new recruits match call centre requirements, e.g.

- Product knowledge
- Systems usage
- Call handling skills and standards
- Communicating the brand 'personality'.

This can be monitored through appraisals.

##### Level and effectiveness of training and coaching

As well as ensuring that all new recruits are given the right level and amount of training, it is important to measure the effectiveness of the training. This can be done on completion of the training through satisfaction questionnaires, but also reviewed on an ongoing basis as part of the coaching process, to ensure that learning is sustained.

##### Quality of call handling

The quality and speed of agent responses and listening skills has a fundamental impact on the customer experience.

This is monitored through the coaching process, and areas covered may include:

- Positive communication
- Empathy
- Rapport building
- Listening skills
- Portrayal of the brand
- Manage customer expectations
- Take ownership of the customer enquiry
- Demonstrate knowledge of procedures
- Increase customer loyalty by adding value to every contact.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

## DATA BENCHMARKS

### Data collection

Benchmarks in this area cover the regularity of the data collection, for example are agents completing the required screens at all times, and is the data collection complete.

This would be measured by remote listening and then monitoring the system afterwards.

### Accuracy

Typing and spelling accuracy is important when keying in caller information for telephone transactions, as it has an impact on systems generated correspondence and also can cause problems for others in the call centre at a later date if there are errors.

It is recommended that a representative sample are quality checked.

## PROCESS BENCHMARKS

### Process improvement

Process improvement is an important element of ongoing development, particularly in a business environment where there are many changes and new developments or products being introduced.

Benchmarks include whether there is a system in place to update and improve processes on an ongoing basis, based on measurement and evaluation of performance, and how widely used this is.

The effectiveness of this translates into agent knowledge in terms of how up-to-date they are with changes to processes or procedures.

### Reporting

Important to successful management of a call centre is the accessibility of relevant, specific reports. Benchmarks in this area are whether reports are produced accurately and on schedule.

### Legislation and compliance

For some call centres, compliance to legislation is critical to survival. A process should be in place to ensure that requirements are met. This may require measurement of adherence to individual level for certain important aspects.



## **EMPLOYEE BENCHMARKS**

### **Employee satisfaction surveys**

External service value is driven by employee productivity, loyalty and satisfaction. Some form of measurement is required, and more importantly, acted upon. As with customer satisfaction, it is preferable that some elements of the surveys should be conducted and analysed by an independent party.

Areas to be surveyed could include satisfaction with the following:

- Management support
- Level and effectiveness of training
- Physical working conditions
- Job satisfaction
- Communication with employees
- Involvement in decision making
- Fairness of pay
- Opportunities for career development
- Intention to remain with the company.

### **Meetings**

The timing, regularity and content of team meetings and briefings is important to the successful running of a team, as well as the impact on the employees.

Regular meetings should be held and information shared, as a two way process, where ideas can be discussed.

## **CUSTOMER BENCHMARKS**

### **Customer satisfaction**

Customer satisfaction is a key benchmark, and in order to achieve a truly independent view, at least some of the customer satisfaction surveys should be conducted and analysed by an independent party.

As well as measurement, the fact that the findings are acted upon is vital.

The way in which the questions are written and posed can have an effect on the responses. Asking 'were you satisfied' type questions adds little value. Meaningful, usable questions, e.g. asking outright if the call centre met expectations and why and why not, with request for detailed answers, are much more useful.

# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

Over 80% of call centres in the UK use customer satisfaction as a key measure. Customer satisfaction measurement within organisations tends to be very specific to the interests of the organisation in question, and is therefore a difficult area to make comparisons between sectors or very different organisations.

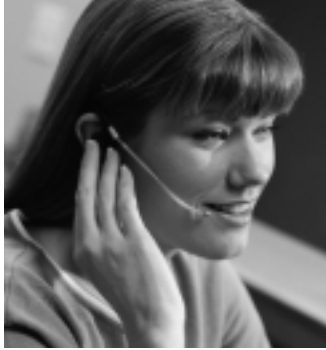
## MANAGEMENT BENCHMARKS

Benchmarking can also involve the culture of the call centre and how it is managed and run.

Firstly, it is necessary to define the preferred culture, and then use specific evidence to demonstrate examples.

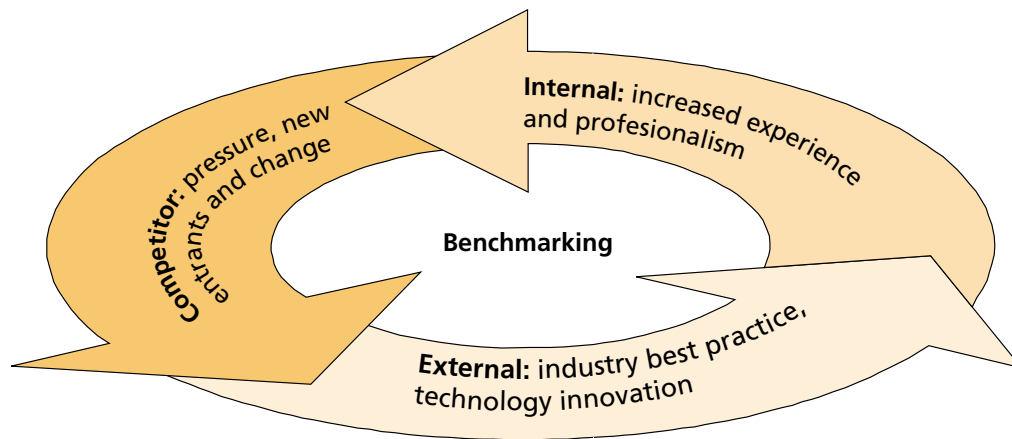
Examples could include:

<b>Desired culture</b>	<b>Demonstrated by</b>
A culture exists within the call centre of fulfilling customer expectations	Monthly award for the agent who has exceeded customers expectations
Customer requests are responded to promptly	Time taken to resolve complaints are monitored. When the timing extends beyond 48 hours, this is escalated to a Duty Manager
Leaders champion a quality ethos and continuous improvement	Call Centre Managers hold open forum suggestion session, specifically for improving processes or procedures
Managers proactive and respond to issues in a timely way	Suggestion scheme feedback is documented on the notice board, all developments are included as they happen
Environment of open communication	Managers have open door policy and are approachable



### 3.4 BENCHMARKING – AN ONGOING PROCESS

The call centre industry is not standing still; performance and best practices are constantly evolving. Therefore it is important for operations to continually update their benchmarking, taking into account changes internally, externally and within competitors where relevant.



## SECTION 4: AN ALTERNATIVE APPROACH TO BENCHMARKING

The use of ratios for comparing performance can be problematical. For example, to evaluate the operational efficiency of a school, an accounting ratio such as cost per unit of pupil achievement might be used. A school with a high ratio in comparison with the ratios of other schools would be considered less efficient. But the higher ratio could be due to a more complex mix of transactions. For example, a school dealing with a high level of cultural diversity may require more time to create pupil achievement than a school that is not. The problem with using simple ratios is that the mix of outputs is not considered explicitly. This same criticism can be made concerning the mix of inputs. For example, some schools may already have at their disposal extra levels of learning hardware and software that could affect the cost per unit of pupil achievement because fewer teachers may be required.

Broad-based measures are highly relevant as overall school performance measures, but they are not sufficient to evaluate the overall operating efficiency of the school. For instance, one could not conclude that a high achieving school is necessarily efficient in its use of personnel and other inputs. A higher-than-average proportion of able young people could be the explanation, rather than cost-efficient use of resources. Hence we need a more comprehensive approach to evaluating relative performances.

### DATA ENVELOPMENT ANALYSIS (DEA)

Data Envelopment Analysis (DEA) is a linear programming technique developed by A. Charnes, W.W. Cooper, and E. Rhodes (1979, 1981). Its attraction for benchmarking research is its ability to convert multiple inputs and output measures into a single comprehensive measure of efficiency. As originally developed, DEA compares the input/output performance of individual productive units (companies or businesses) or Decision Making Units (DMUs). It evaluates relative efficiency between the specific DMUs being considered. DEA does this by constructing an empirically based 'frontier' from linear combinations of all the other DMUs in the sample. Hence, an efficient, or best practice organisation can be defined as one which is able to produce the same level and mix of services as other DMUs in the analysis, but which uses fewer inputs. Alternatively, the efficient DMUs can be defined as the ones that produce a higher level of output for the same levels of input.

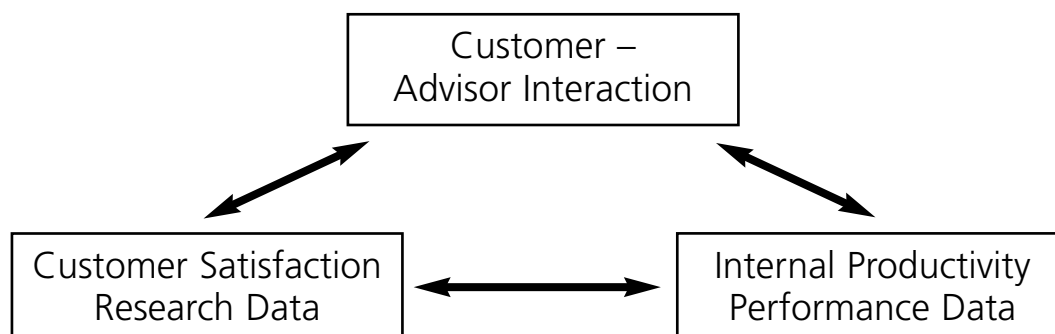


The DEA methodology was developed originally to evaluate relative performance in non-profit and public sector organisations and is being used increasingly in private sector applications and in the service sector in particular. The literature includes numerous studies in multi-site units in banking, education, dairy farming, forestry, local government, police and health care. Its primary advantage is that it can be used to compare similar service providers, computing efficiency ratings based on the ratio of resource inputs to outputs. The method identifies efficient units, which represent 'best practice' and areas for improvement in those units identified as performing less well. By considering the relative efficiency of units with differing characteristics, we can disaggregate the impact of a range of inputs in relation to achieved outputs. Hence as an evaluation and benchmarking approach DEA can have considerable advantages over conventional ratio based methods.

#### 4.1 COMPLIMENTARY METHODS TO MAIN STREAM METHODS OF BENCHMARKING

The preceding chapters have very comprehensively explored many of the most popular approaches to benchmarking performance and service within the contact centre environment. There are however additional techniques, which can be applied either separately or simultaneously that allow a view to be gained of not just the absolute performance against a specified target but to understand and explain **why** that performance has occurred. In other words what is it that the customer, the agent or the organisation are either doing (or not doing) that is leading to that outcome.

Such a review can take into account either directly or indirectly many of the findings or measures used within the conventional benchmarks previously



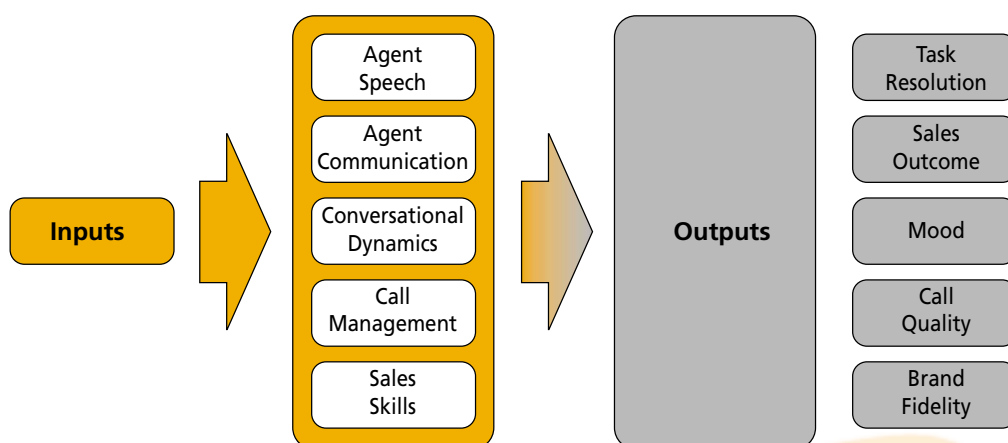
# BENCHMARKING AND DEFINITIONS WITHIN CONTACT CENTRES

discussed in order to provide a triangulated or 360 degree evaluation of performance.

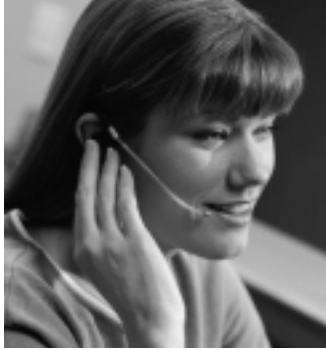
## It is all about Inputs and Outputs

When reduced to the lowest common denominator, efforts in a contact centre usually are based upon carefully understanding and managing the inputs into the business / operation, with the purpose of maximizing the outputs. Inputs would be considered in terms of agents, their skills, training and support infrastructure, while outputs would be considered as results these achieve, such as sales, complaint resolution, upsell, cross sell, extended customer tenure, etc. Commonly both inputs and outputs can be fairly easily measured however the area that has the greatest degree of assumption and often least proven is the connection between input activity and output achieved.

For example managers should know which inputs have the greatest effect on output achievement.



The above approach brings another key measure into play beyond productivity and customer satisfaction per se; it introduces the need to be able to understand the interaction of all of these in order to benchmark overall performance and direct resources to further develop achievements and returns.



## The Overarching Principle

The approach that this understanding leads to is to take an appropriate sample of real contact centre interactions (calls), review these against a carefully drawn up evaluative framework, noting both the input skills and behaviours as well as the outputs achieved. Then using sophisticated statistical techniques, predict which factors have the most significant effect on achieving success. Benchmarking in this way provides the vital understanding of current performance and can direct further developments as we will see later in this chapter.

## The importance of the conversations

Most managers would not question the importance of the conversational quality that occurs between advisors and customers, however when reviewing a list of key performance measures, or indeed previously specified metrics this factor rarely features with the appropriate importance.

The conversations that take place between organisations and their customers are a major component of the customer experience and a key determinant of its quality. Once we recognise that conversation is a vital part of the customer experience, and that customer experience is a key market differentiator, we must turn our attention to measuring the quality of those conversations. In this regard, there are two distinct aspects of quality with which we must be concerned:

1. The evaluation of the experience (was it 'good' or 'bad')
2. The distinctiveness of the experience (was it 'differentiated' or 'generic')

In order to measure conversational quality it is necessary first to understand how conversations work and what constitutes a 'good' conversation.

The traditional understanding of communication as an 'accurate information transfer' is an inadequate basis for measuring human conversation, or at least only covers part of the purpose of communication.

Accurate information transfer is only one aspect of good conversation, others include:

- Encounter regulation
- Identity management
- Management of roles and relationships
- Instrumental control

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- Performative exchange
- Emotional management
- Aesthetic management
- Meta-communicative regulation
- Management of conversational norms

A good conversation is one in which all of these ten functions are handled well. Each is an important precursor or contributor to establishing, maintaining and developing the basis for co-ordinated action; our definition of good communication.

Now that we've established an understanding of the complexity of conversation, it's time to recognise that people are very good at it, and that it is a skill that can be developed and refined. But how?

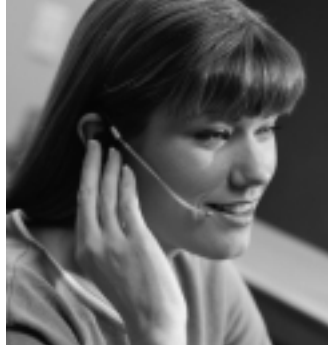
Considerable research over the last fifty years has attempted to answer this question. Studies of communication competence, social skills and communication style have analysed the components required to create high quality conversations.

We have distilled a list of key conversational skills:

- Speaking activity
- Listening activity
- Interpretive understanding
- Adaptive control
- Task competence
- Information competence
- Communication confidence
- Emotional competence
- Personal involvement
- Politeness
- Rewardingness

## ***Measuring these skills***

All of these conversational skills can be deployed and measured within contact centres. This process, which involves the careful selection of several scales to monitor each skill, the training of evaluators to use those scales and the standardisation of ratings against some criteria conversations, allows the measurement of conversational quality and provides a way to quantify the customer experience.



### ***Sampling: sizing and selecting***

An accurate measure of conversational quality allows the contact centre to evaluate its current conversational performance, understand the effect this is having on business and identify ways in which conversation can be improved in order to enhance business performance.

To be useful, the measuring process must be robust and trustworthy. It is essential, therefore, that data is captured using methods that are unobtrusive and non-reactive, in order to protect against contamination. The conversations selected for analysis must be representative of all the calls taking place in the centre and must be captured discretely. If an agent knows their calls are being recorded for a specific purpose they may, for a short period of time, change their behaviours, making their calls non-representative.

Systematic and structured sampling theory must be applied in order to determine the appropriate sample size. Many quality analysis systems either underestimate the size of the sample needed, leading to error margins of plus or minus fifty percent or more or overestimate the sample size.

It is vital, of course, to select a sample size sufficiently large to be confident that the results thrown up are not born out of co-incidence or chance. Thankfully, there is a reliable reference table; a sample size of 400 will deliver results that are accurate to within plus or minus 5%.

While increasing the sample size beyond this point will deliver greater accuracy, a law of diminishing returns comes in to play. Statistical sampling tables are available to demonstrate the accuracy rating of different sample sizes.

### ***Analysis: making sense of the data***

In a typical analysis of call quality it is not unusual to produce more than 50,000 items of data. Such large quantities of data call for powerful statistical analysis and interpretation techniques that will identify the differences, similarities, relationships and patterns that exist within them.

Deriving real value from an analysis of call quality requires more than just sophisticated statistical techniques. The information these provide will only become truly meaningful when interpreted by a team of people who are able to apply sound business knowledge and an understanding of contact centre operations. It is their expertise, judgement and experience that will allow the practical implications and management possibilities arising from the analysis to be identified.

Nor is it sufficient to observe calls in isolation. The effect of the call, both in the medium and long term, must also be measured by looking at the customer's

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behaviour after the call. Did they use the service or become a customer? How often did they reuse the service or remain a customer, and so on. Only by measuring post call activity, and evaluating that activity in the light of the customer experience delivered during the call, is it possible to identify the conversational behaviours that result in improved business results.

## *Reaping the benefits*

Different behaviours will create different effects in different organisations, depending upon the kind of calls (inbound vs outbound) and the specifics of each interaction. However, it is possible in every case to identify the three or four behaviours that deliver the most beneficial effect. This allows managers to focus time and effort on the cultivation of those behaviours that matter most.

Creating a programme to monitor and improve conversational quality in the contact centre cuts across many functions within an organisation, including sales, operations, quality management, HR and customer service. In order for the programme to succeed the entire business needs to be aware of it, support it and be prepared to act upon the findings

Buy-in must begin with the contact centre agents themselves; after all, they are the people whose behaviours will need to change as a result of the programmes findings. However, it must not end with the agent. They will only be able or willing to change their behaviour if they have support and guidance from above in the form of training, coaching and even revised incentive programmes.

## **Conclusion**

Over time managers will recognise that measuring and managing the quality of the customer experience delivered via contact centre conversations is not only possible but imperative to their success. Having embraced the importance of consistent visual and textual brand values for their organisations, they must move on to ensure that these are carried through into the essentially oral contact centre environment, which is the primary customer touch point for so many.

The emergence of robust and reliable research methodologies, will allow them to regulate conversational quality and create interactions that are both high in quality and differentiated in character, despite the inconsistencies of human nature.

In doing so they will proactively drive the creation of a more valued customer experience.

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