

# Smart Ways To Improve Contact Center Performance

The right technology helps measure what matters

White Paper

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**V E N T A N A**  
R E S E A R C H

*Aligning Business and IT To Improve Performance*

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## From Efficiency to Effectiveness

Businesses are acutely aware that competition to attract and retain customers has never been fiercer. As a key part of their attempt to win this contest, organizations are looking for new ways to improve the business performance of their contact centers, which are the source of their most valuable customer interactions. As part of addressing that agenda, organizations must put in place technologies that maximize the effectiveness of contact center managers and agents and help them deliver better customer experiences.

Although contact centers originally were established primarily to lower the costs of fielding customer inquiries and secondarily to support some outbound sales and marketing campaigns, organizations now are seeing that they can play a more strategic role. A contact center that can resolve customer issues both quickly and fully will not only help create more valuable and lasting customer relationships but also contribute knowledge that can help lower the costs of the business processes that serve those relationships.

To do so, though, a reinvigorated contact center needs tools that enable managers not only to analyze customer interactions but to use those insights immediately to improve agent performance and align it better with the enterprise goal to maximize customer satisfaction.

Our benchmark research, “Evaluating Maturity in Contact Centers,” reveals that improving customer satisfaction is becoming a top priority of the contact center; 78 percent of organizations ranked it their number-one concern. To achieve better customer experiences, organizations need to apply performance management, which Ventana Research defines as a discipline that aligns information, people, processes and technology with a common set of strategic objectives. A new focus on performance management tuned to both customer satisfaction and efficiency goals can help managers and supervisors provide agents with coaching and incentives that reward resolution of issues as well as call-handling efficiency.

**Improving customer satisfaction is becoming a top priority of the contact center.**

To achieve this challenging “best of both worlds” result, companies must employ technology and improve processes and information management to ensure that every contact center employee has clear goals and all the relevant facts he or she needs to make the right decisions.

One path to these goals is to purchase dedicated business intelligence (BI) software; another is to extend current BI platform investments. A third is to invest in operational performance management (OPM) applications developed specifically for contact centers that offer integrated reporting, analytics and workflow management. In light of the importance today of improving customer satisfaction,

an organization needs to structure its evaluation process to determine which technology option best supports its contact centers by giving them what they need to address customer concerns quickly and completely, and thus deliver greater overall business value.

## **From Analytic to Operational**

Most organizations began to use BI software by implementing tactical reporting tools that access and organize raw data into information that then is used by sales or those responsible for inventory or as input for more specialized analysis. Typically, the first users were data and business analysts who had knowledge of the data sources, although some “power user” business managers and executives understood the technology well enough to use the tools. When production reports and preset query capabilities did not suffice, these knowledgeable BI tool users could compose ad-hoc queries or employ online analytical processing (OLAP) to drill down into the data.

To date, BI tools have remained largely in the hands of sophisticated users. In attempting to extend BI capabilities to other, less technically adept employees, organizations are using BI platforms to support dashboards – that is, reporting tools that can consolidate, aggregate and arrange measurements and metrics on a single screen so users can monitor them easily. Dashboards sometimes incorporate scoreboards, which show progress toward strategies, goals and objectives by using key performance indicators that typically reflect a management methodology. These and other features such as alerts, performance metrics and visualization capabilities can be combined with reporting and analysis to create an environment tailored to nontechnical users’ decision-making requirements. Ventana Research terms this approach operational business intelligence.

Operational BI tools help line users such as managers, supervisors or agents in contact centers make daily decisions. Operational BI users need not engage in extensive analytics or ad-hoc querying of data sources; operational BI delivers actionable information within a context that clearly defines the range of options.

However, our benchmark research on scorecards and dashboards reveals that these tools are used mostly by midlevel managers in finance, sales, marketing and IT functions. They have not yet been implemented widely in operational areas such as customer operations and contact centers. Operational BI implementations are not yet a mature alternative to the reporting and analytics offered by applications specialized for operational processes.

Additionally, because the access, reporting and analysis technology offered by operational BI tools is not specialized for any particular operation, significant customization must occur before the tools can be deployed into a particular operating environment, be it a sales or supply chain operation or a contact center. Organizations have encountered difficulty customizing standard BI and data warehousing tools for manufacturing and supply chain operations, for example, because they do not readily address user requirements and data sources specific to

executing tasks and processes critical to those functions. For contact centers, applications supporting OPM that are designed specifically for their business functions often meet business requirements more effectively and deliver more immediate value to organizations than operational BI tools.

## Targeting Operational Performance

In contrast to BI tools and platforms, applications that enable OPM were designed not only for analysts but to address a broader span of business users' needs. OPM as a category encompasses all operational processes, including those that touch the customer. Some vendors of these applications, a subset of which is called performance and talent management, add vertical depth by providing versions that address requirements in healthcare, retail banking, financial services and other industries with specific needs.

Applications that enable OPM support performance management metrics with data-driven management tools for monitoring costs and analyzing performance across multiple measures, including customer satisfaction. Teamed with an underlying data model, these applications can draw data from other applications in an organization that could inform managers about customer satisfaction, such as billing, collections or customer relationship management (CRM) systems that handle sales, service and support. Robust data models can make it possible for the application to present data that enables managers to evaluate efficiency and effectiveness trade-offs in the contact center in the context of broader business objectives.

To analyze multiple stages of a process or the performance of a complex set of products sold across many different channels, an application should be able to process hierarchies. Hierarchies are a way to organize information about products, people and processes that are part of categories or have categories that branch out from them.

**Understanding organizational hierarchies is important for managing contact center agents.**

Understanding organizational hierarchies is important for managing contact center agents. A large insurance company, for example, might have thousands of agents in a contact center. As resource requirements change during any given week, the company's agents might move frequently from escalation to basic service groups and from the responsibility of one manager to another. Without software that can help the organization keep continuous track of each reporting hierarchy change, the agents' time and performance would not be accounted for properly. Systems that are not flexible and can record only weekly views of where agents are in the hierarchy, for example, would deliver inaccurate measures when reports are rolled up for view by more senior managers. As a result, decisions about incentives, coaching needs and other resource allocation matters regarding thousands of agents would be based on faulty information.

BI implementations are generally not required to handle dynamic changes in reporting hierarchies. Applications supporting OPM are built to handle rapid operational changes, such as shifting hierarchies, and thus are more appropriate for the type of organizational changes that are typical in contact centers.

## Prioritizing Processes and People

Their ability to work with two business categories, processes and people, distinguish OPM-supporting applications from the management reporting world of BI. Strategic decisions made with BI tools typically affect processes and people only indirectly. OPM, in contrast, has an immediate impact on them; if performance metrics show that results are below expectations, the ensuing analysis is expected to supply insight on how immediately to change processes and/or people's behavior.

This distinction is especially true for contact centers. Customer satisfaction likely hinges on how well processes and agents respond to calls and other interactions. Applications supporting OPM should include a workflow engine and data models that detail how interactions are addressed, including what other "actors" need to be involved in resolving the customer's issues. This is essential because if a contact center cannot address issues effectively, customers will go to competitors or, at the very least, consume more of the organization's resources in resolving their problems, which can stress the center's capacity and raise expenses.

It's a key, if obvious, point that contact centers respond to business events, such as a dispute about a phone bill or an inquiry about a health insurance claim, through agents. For a customer, the contact could be urgent, as in a need to know immediately whether a doctor's recommended procedure is covered by his or her insurance plan. The application's workflow engine and process tools should orchestrate the roles of all the actors in the adjudication of such a healthcare claim. The application also needs to be associated with an underlying data model, which should be well-integrated if it is not built in. This model sets out how the system collects and presents data important to the agent's interaction with the customer, such as health plan numbers and other relevant facts about the customer and healthcare provider.

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In this operational setting, where decisions have to be made quickly inside a process or workflow and relevant data needs to be at the agent's fingertips, dashboards and reporting tools must excel at getting information to decision-makers quickly and in a form they can respond to immediately. To measure the performance of both processes and agents, contact center managers need more than efficiency metrics, such as how quickly calls are answered. They need metrics that clarify whether the response was effective from the customer's point of view. For example, how often does a customer's first contact lead to resolution? Repeated

calls or transfers to other actors in the chain of processes could indicate that the workflow and process models need adjustment to address customer satisfaction.

However, to develop insight about agent behavior that can be used to make processes more effective, performance metrics are not enough. Alone, they are just another form of reporting; when these metrics are coupled with analytics specific to contact centers and their particular industry, though, managers can discover the root causes of why an agent or group of agents is underperforming their peers. For example, managers need to identify the types of calls that consume disproportionate amounts of agent time and have low first call resolution and customer satisfaction scores. With this analytical insight, a manager can act to improve an agent's performance, rather than having to make guesses based on imprecise aggregate metrics.

## Analytic Tools Needed

Managers also need analytic tools that enable them to evaluate proposed process changes. A report or metric might indicate a problem with a certain process, but upon further analysis, the manager might discover that changing the process would cost the contact center more to implement than the change would return in savings or improved customer satisfaction. Managers also need to be able to analyze data collected at various points in end-to-end processes where different actors in the organization play their roles. Then the manager can evaluate how a bottleneck or other problem at one point in the process chain is contributing to a higher volume of calls to the contact center.

In tandem with processes, the management of talent – the agents themselves – is also an important goal for applications that support OPM in contact centers. Our research shows that cost-cutting has been the primary management imperative at contact centers; 85 percent of participants rated cost as very or extremely important. Because agents typically comprise one of the biggest expenses in the center, it is vital to organizations that agents be highly productive.

A key issue in bringing down costs and maximizing the utilization of the agent's time is improving resolution of issues on first contact. In our benchmark research, more than three-quarters of research participants cited first-contact resolution as very or extremely important. Managers need the ability to track this and other metrics so they can begin coaching agents right away, which can be the most direct way to reduce the number of contacts needed to resolve customers' problems. Thus, efficiency metrics such as call duration should be accompanied by business-related effectiveness metrics, which may be drawn from aggregate data managed by the application's data store. Trends in customer interaction become clear only when multiple metrics are compared, ideally in a scorecard presented as part of the

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dashboard. Then managers can guide agent interaction on the basis of the root causes of customer problems rather than cost-oriented performance measures that may distract them from the goal of achieving enduring customer satisfaction.

## **Choosing Technology for Contact Center Excellence**

When contact center applications integrate key performance indicators with analytics, managers and supervisors obtain deeper knowledge of what customers want and of their company's own business priorities. Also, because the turnover of agents remains high – our benchmark research found that the average tenure of an agent is less than two years – contact centers need tools that can both supply nontechnical personnel with timely information aimed at improving their productivity and help the organization retain knowledge when experienced agents depart. With these priorities in mind, here are three important considerations for choosing applications to improve performance in your contact center.

### **Managers need to see process and people factors responsible for unsatisfactory performance.**

Contact center managers and corporate executives in related business functions such as marketing and finance need to be confident that performance management metrics and scorecards are delivering an accurate picture of both center and agent performance. Applications dedicated to OPM that can provide specific analytics and workflow for contact centers have an advantage over BI tools that offer traditional generic capabilities.

### **Gaining an accurate view of agents' performance is critical to improving accountability and customer satisfaction, especially as roles change.**

Organizations need to choose tools that can adapt to frequent changes in reporting hierarchies and record performance metrics based on those changes so that agent and manager incentives can be calculated properly. Coaching, performance reviews and the preparation of goal-oriented dashboards for new agents also depend on accurate metrics. Applications dedicated to OPM that offer flexible hierarchy management have an advantage over operational BI tools, which typically extend out from BI platforms that have not had to manage complex, rapidly changing operational hierarchies.

### **Technology must supply metrics and other analytics that guide employees toward the right balance of efficiency and effectiveness.**

Often, efficiency metrics measure results based on factors beyond the control of individual agents. However, applications that support OPM enable managers to discover root causes and agent behavior patterns that if improved likely will reduce the volume of inbound calls. With better analysis of a range of metrics as well as the use of root-cause analysis, managers can direct supervisors to coach agents to achieve higher customer satisfaction. Operational BI systems that focus on dashboard-level reporting are likely to require considerable customization both to offer similar contact center-specific analytics and to allow nontechnical users to interpret results easily and apply them to operations immediately.



Cost pressures often leave contact centers struggling to handle an increasing volume of calls with relatively few agents. At the same time, many organizations have a strategic vision for contact centers that expands agents' potential to offer cross-selling and up-selling opportunities and in other ways exploit interactions to deepen customer loyalty. More so than BI, applications that support OPM with comprehensive analytics enable managers to balance these imperatives and reduce the cost and risk of delivering higher business value through the contact center.

## About Ventana Research

Ventana Research is the leading Performance Management research and advisory services firm. By providing expert insight and detailed guidance, Ventana Research helps clients operate their companies more efficiently and effectively. We deliver these business improvements through a top-down approach that connects people, processes, information and technology. What makes Ventana Research different from other analyst firms is our focus on Performance Management for finance, operations and IT. This focus, plus research as a foundation and reach into a community of more than 2 million corporate executives through extensive media partnerships, allows Ventana Research to deliver a high-value, low-risk method for achieving optimal business performance. To learn how Ventana Research Performance Management workshops, assessments and advisory services can impact your bottom line, visit [www.ventanaresearch.com](http://www.ventanaresearch.com).