CONTACT CENTER SHRINKAGE SURVEY

2010

knewlagent®

Introduction

Shrinkage, rostered staff factor, overlay. Whatever you call it, it's a fact of life in the call center. Other activities need to be accounted for in the day of a call center agent. And the role of the call center agent is expanding. It's not just calls, but emails and texts and chats and social media. It's not only customer service, but oftentimes sales as well. Will all of these additional activities and roles add to shrinkage? As we ask agents to do more, will they actually spend *less time* with the customer as they prepare for and respond to these additional pressures?

The intent of this research was to answer some of those questions and to determine how much time is spent in shrinkage across different types of centers. Additionally, we wanted to understand what activities make up shrinkage. We also sought to understand what impact the expanding role of the agent might be having on shrinkage as well as differences among organizations of different industries and sizes.

Table of Figures

Methodology

Survey respondents were solicited via email for an online survey. 2915 people were invited to respond. 111 participated.

As part of the survey, respondents were given the definition of shrinkage to ensure a common understanding. While a few used other terminology, shrinkage appears to be the most widely used term.
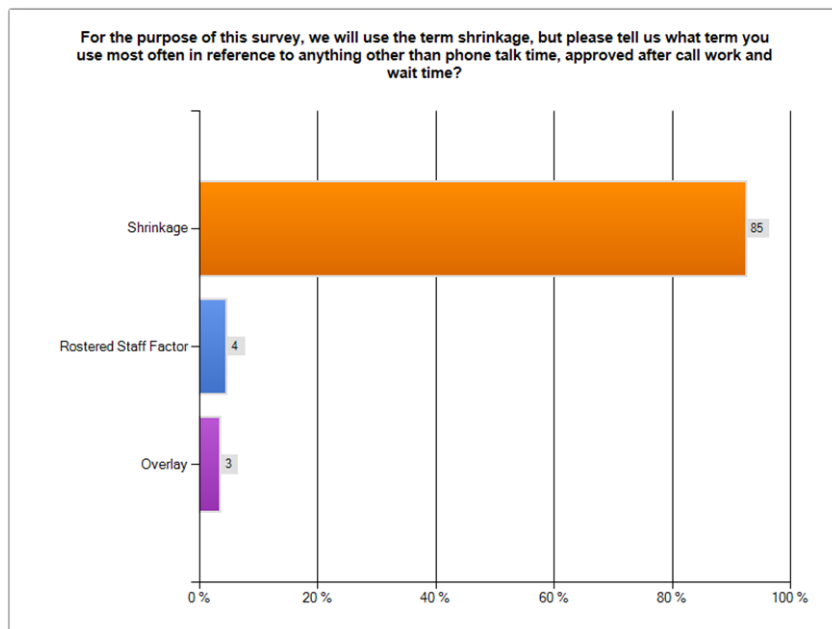

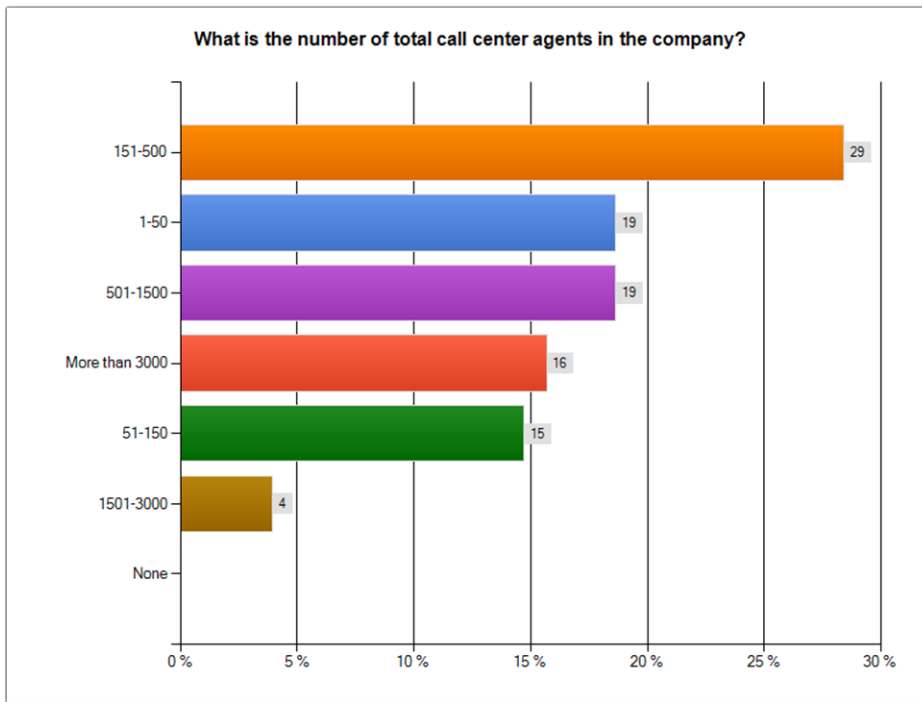
Figure 1 - Terminology

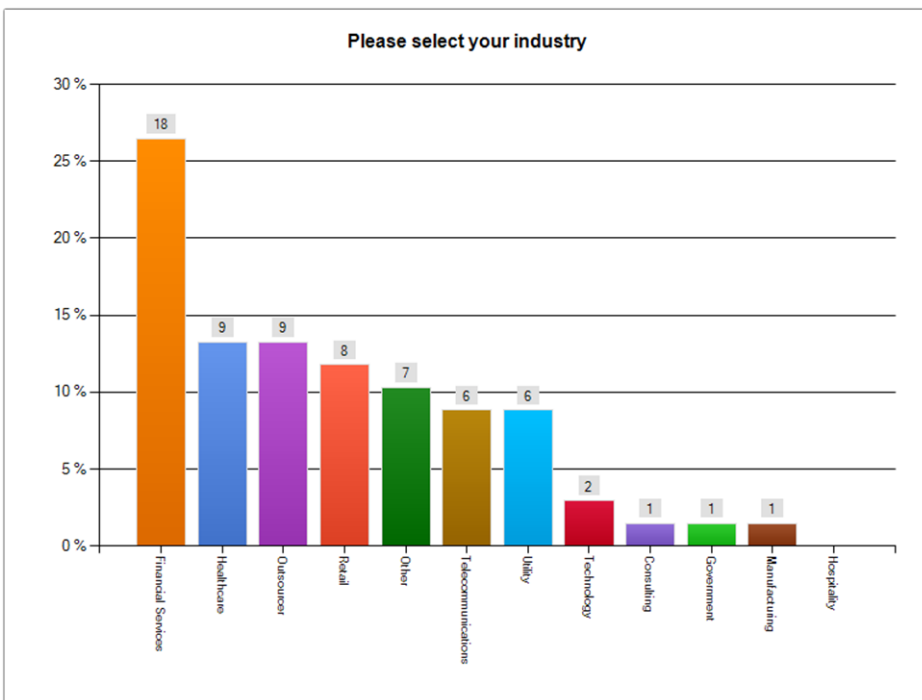# Demographic Information

Figure 2 - Size

Figure 3- Industry

Shrinkage Categories

Respondents were asked to select what they consider shrinkage.

What do you include in shrinkage? (Select all that apply)

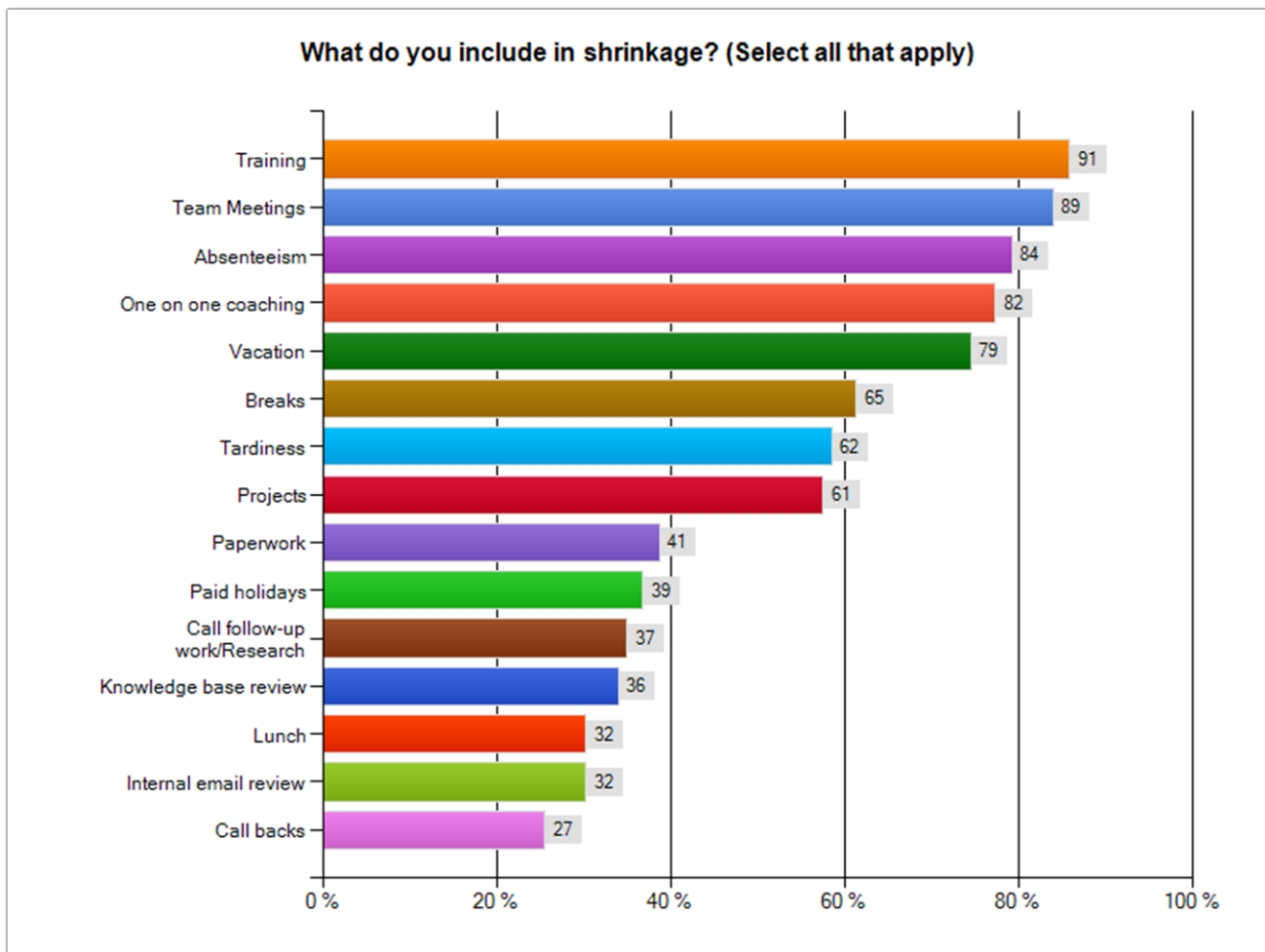| Category	Percentage
Training	91
Team Meetings	89
Absenteeism	84
One on one coaching	82
Vacation	79
Breaks	65
Tardiness	62
Projects	61
Paperwork	41
Paid holidays	39
Call follow-up work/Research	37
Knowledge base review	36
Lunch	32
Internal email review	32
Call backs	27

Figure 4 – Included in Shrinkage

We also offered an "other" category, which mainly included semantic differences from the categories above. The only area not covered by the categories above was technical issues causing downtime.

There is a distinction to be made between two categories of shrinkage. We will call these categories Primary (absenteeism, vacation, paid holidays, tardiness, breaks and lunch) and Secondary (training, team meetings, coaching, projects, paperwork, call research, knowledge base, email, call backs) Loss.

Shrinkage Breakdown

Additionally, we wanted to determine the contribution of each of these main categories to overall shrinkage. Because not all respondents selected all categories, we weighted the raw responses based on number of those surveyed who selected a particular answer to get a picture of the relative contribution of each category to overall shrinkage across centers.
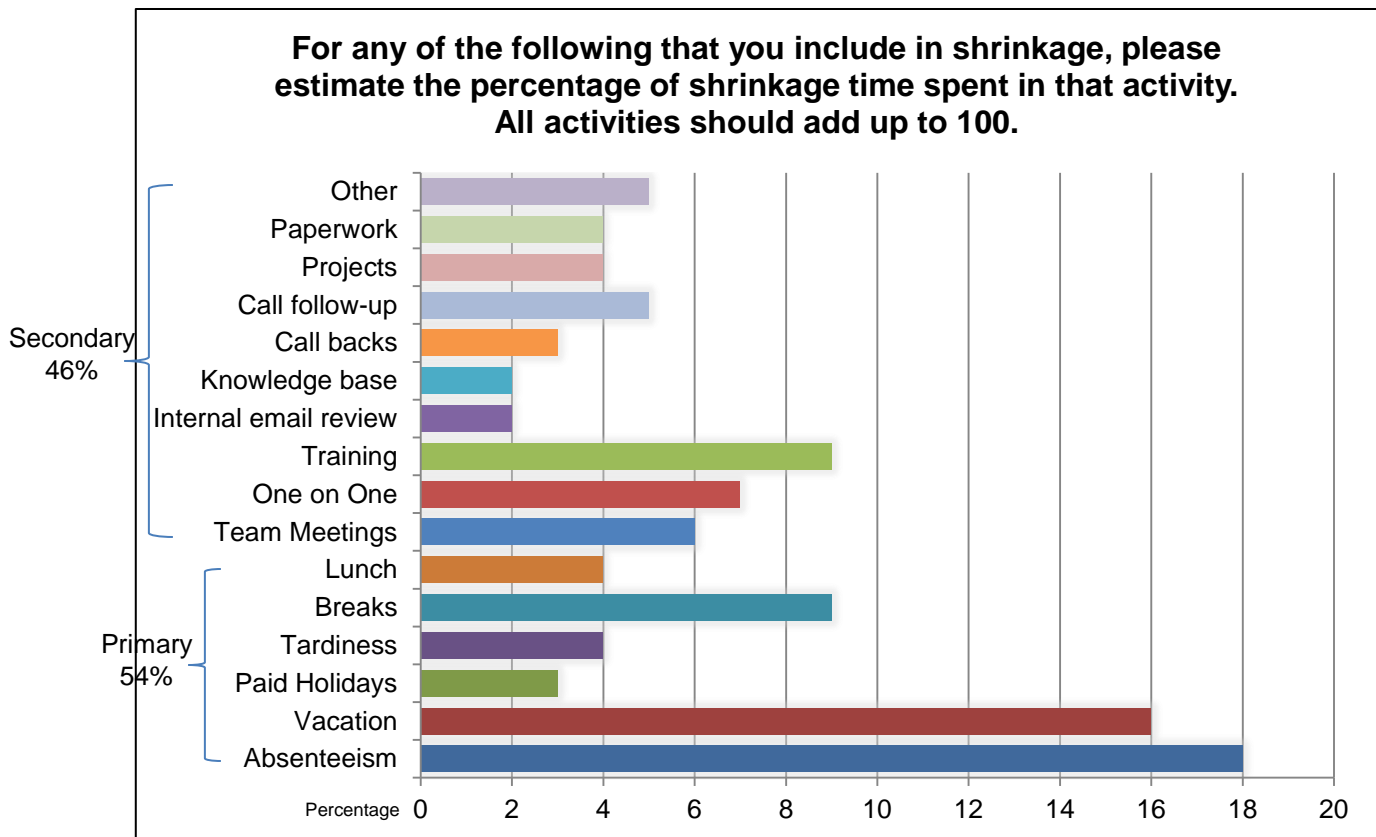

Figure 5 – Shrinkage Breakdown

The items in primary loss or shrinkage are largely outside the call center's control and constitute 54% of shrinkage. Those secondary loss items (46% of shrinkage) are more easily controlled, and therefore ripe for more efficiency. They are typically not required to occur during specific times so these activities can take place during natural idle times between interactions if centers have the means of dynamically responding to call volume.

Channels Supported and Contacts Handled

We wanted to survey the channels respondents support and the contacts they handle in order to explore any impact these factors might have on shrinkage.
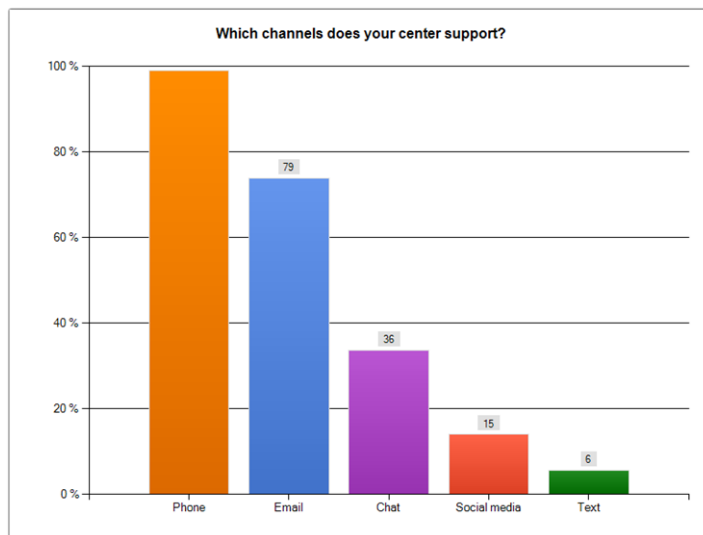

Figure 6 – Channels Supported

There appears to be growth in chat, text and social media. The bigger the organization, the more likely they are to support these channels.
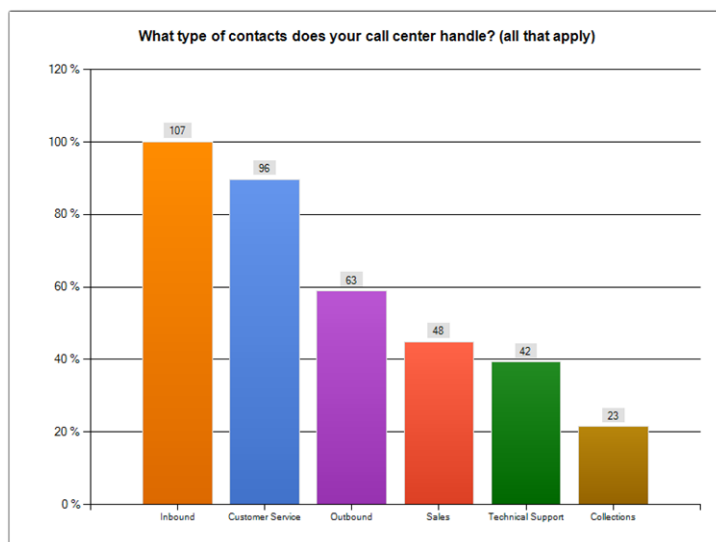

Figure 7 – Contacts Handled

Channels Supported – by Contacts Handled
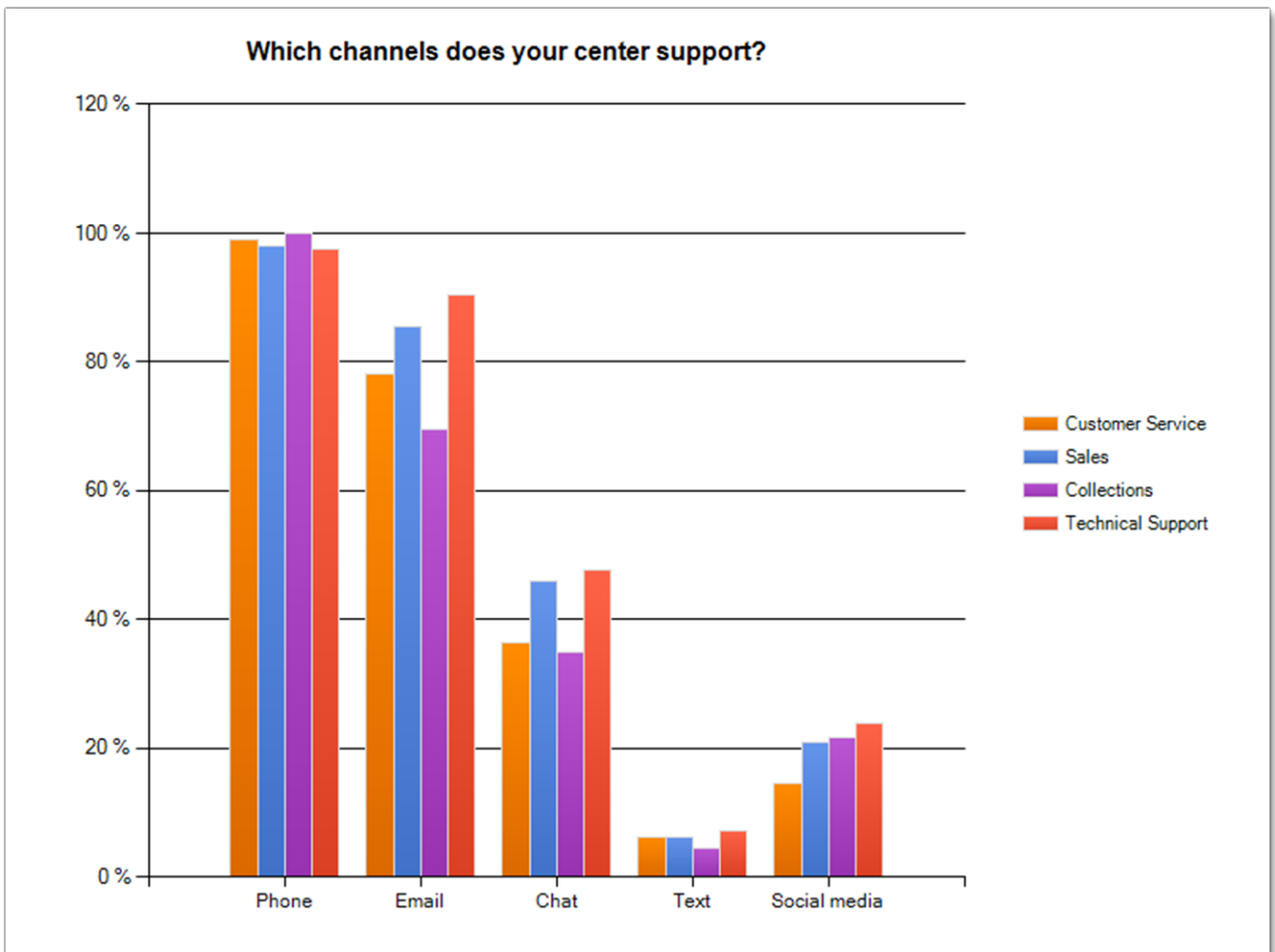
Figure 8 – Channels Supported by Contacts Handled

The most significant differences among the channels supported by type of contacts handled were associated with chat and social media. Sales and tech support are more likely to handle chat at 46% and 48% respectively. With regards to social media, centers handling sales, collections and tech support are more likely to support this channel. Sales centers support social media at 21%, collections at 22% and tech support at 24%, compared to customer service organizations at 15%.

Channels Supported – By Size

What channels does your center support?

Legend:
- 1-50
- 51-150
- 151-500
- 501-1500
- 1501-3000
- More than 3000

Phone: 45%, 50%, 46%, 44%, 36%, 35%
Email: 38%, 30%, 35%, 33%, 36%, 28%
Chat: 13%, 10%, 13%, 14%, 27%, 20%
Text: 0%, 3%, 3%, 2%, 0%, 4%
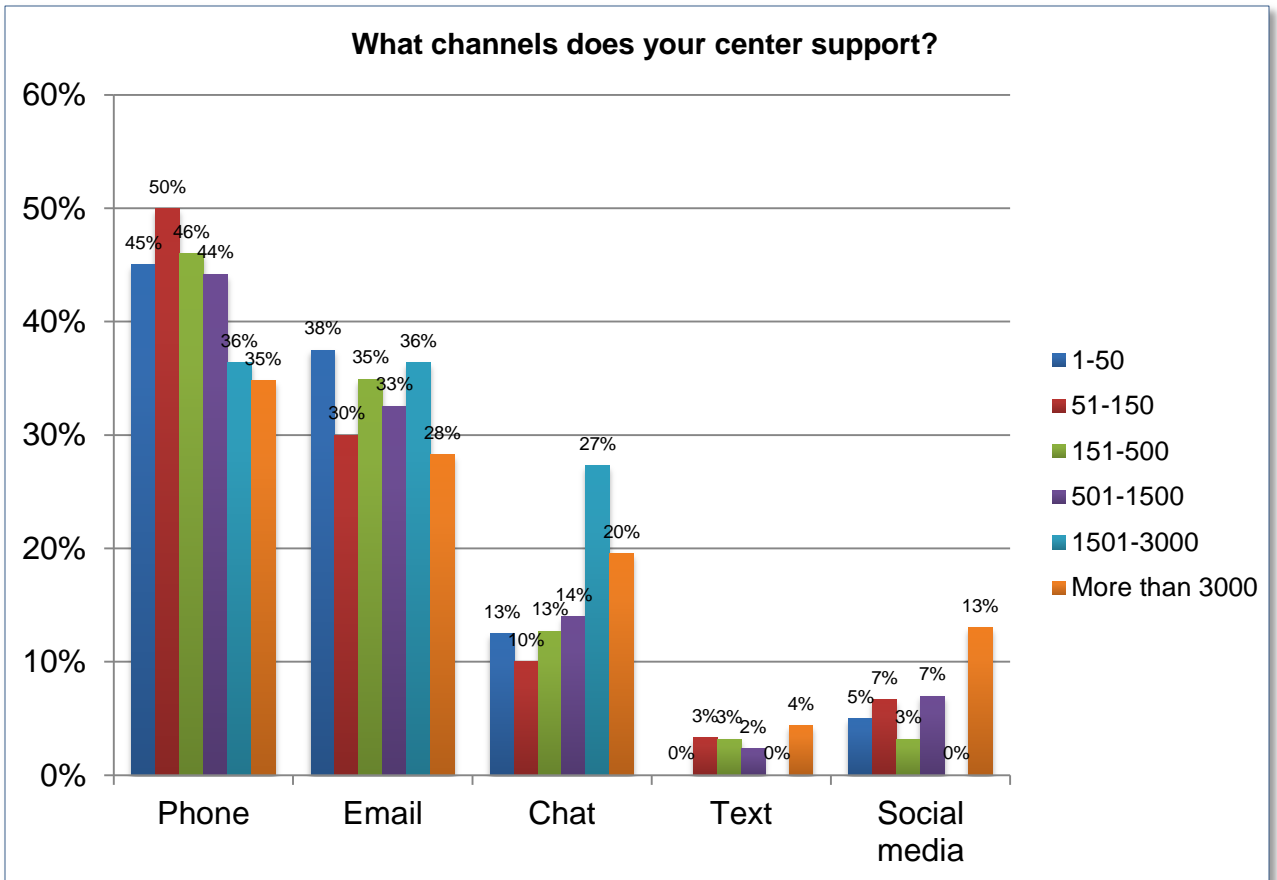Social media: 5%, 7%, 3%, 7%, 0%, 13%

Figure 9 – Channels Supported by Size

Larger organizations are more likely to support newer channels such as text, chat and social media.

Channels Supported – By Industry

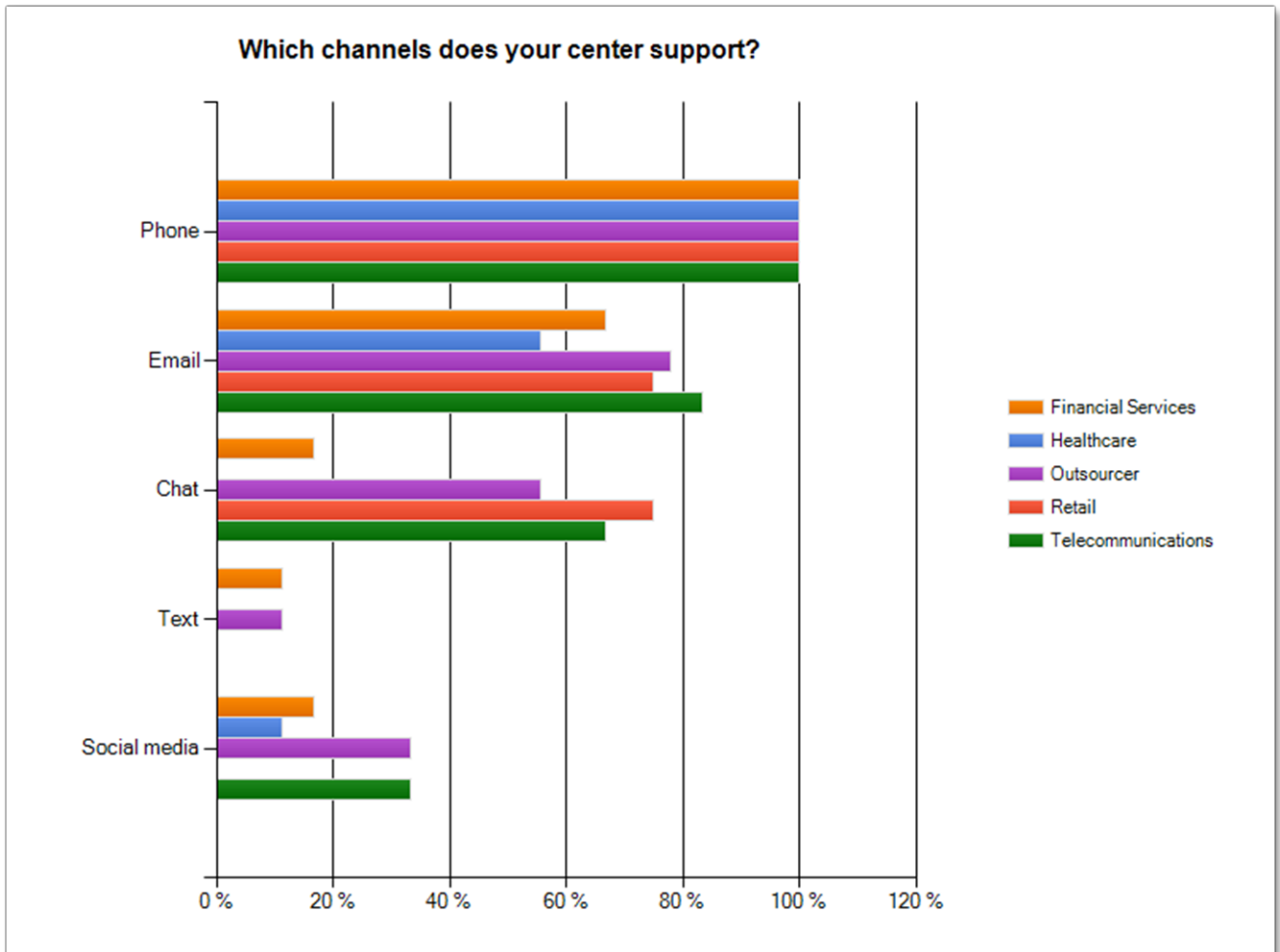**Which channels does your center support?**

Figure 10 – Channels by Industry

For cross-tabs involving industry, we selected the top 5 represented in the survey. Healthcare is least likely to support email (56%) and chat (0%). Financial Services supports chat much less than the other industries who do. Only 17% of Financial Services respondents support chat, while Outsourcers, Retail and Telecommunications support chat significantly more than the survey average. Outsourcers and Telecommunications support social media more frequently, at 33% each.

Breakdown of Shrinkage – By Size

For any of the following that you include in shrinkage, please estimate the percentage of shrinkage time spent in that activity. All activities should add up to 100.

Figure 11 – Shrinkage Breakdown by Size

When shrinkage breakdown is viewed by size of company, it becomes clear that one-on-one coaching seems to occupy less time in organizations of 501-1500

Breakdown of Shrinkage – By Industry

For any of the following that you include in shrinkage, please estimate the percentage of shrinkage time spent in that activity. All activities should add up to 100.
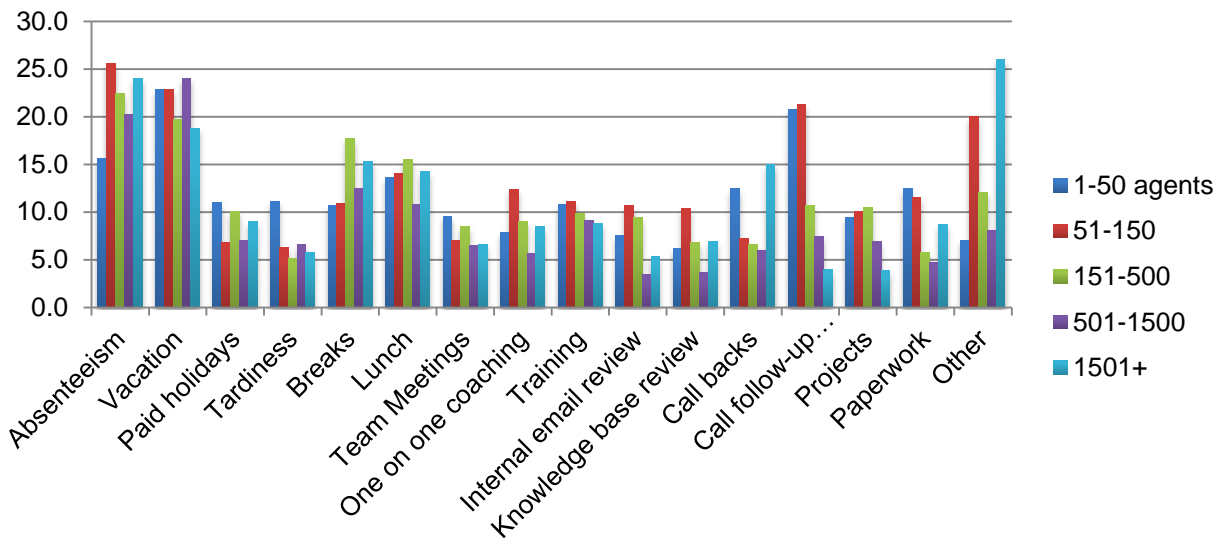
Legend:
- Financial Services
- Healthcare
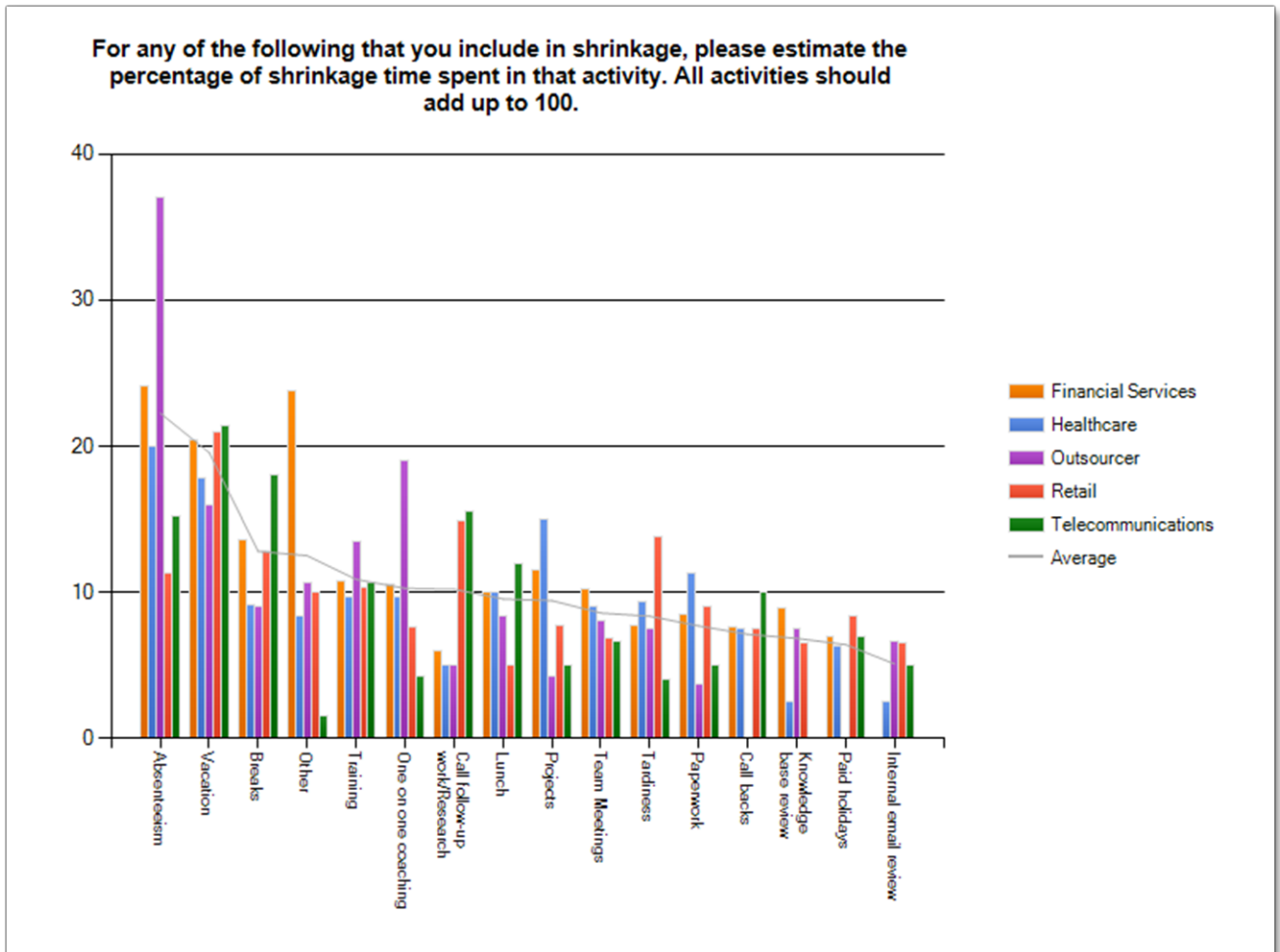- Outsourcer
- Retail
- Telecommunications
- Average

Figure 12 – Shrinkage Breakdown by Industry

There were several differences in the contribution of different categories to shrinkage based on industry. Outsourcers appear to deal with more absenteeism (37%) than other industries in the survey. They also seem to do more training and one-on-one coaching than other industries at 14% and 19%. Retail and Telecommunications have more call follow-up while Outsourcers, Healthcare and Financial Services have quite a bit less than the average. Financial Services and Healthcare have more projects that contribute to shrinkage while Outsourcers and Telecommunications have less than the average. Paperwork is higher than average in Healthcare and Retail. Call backs are most frequent in Telecommunications. Knowledge base review is higher than average for Financial Services but lower than average for Healthcare.

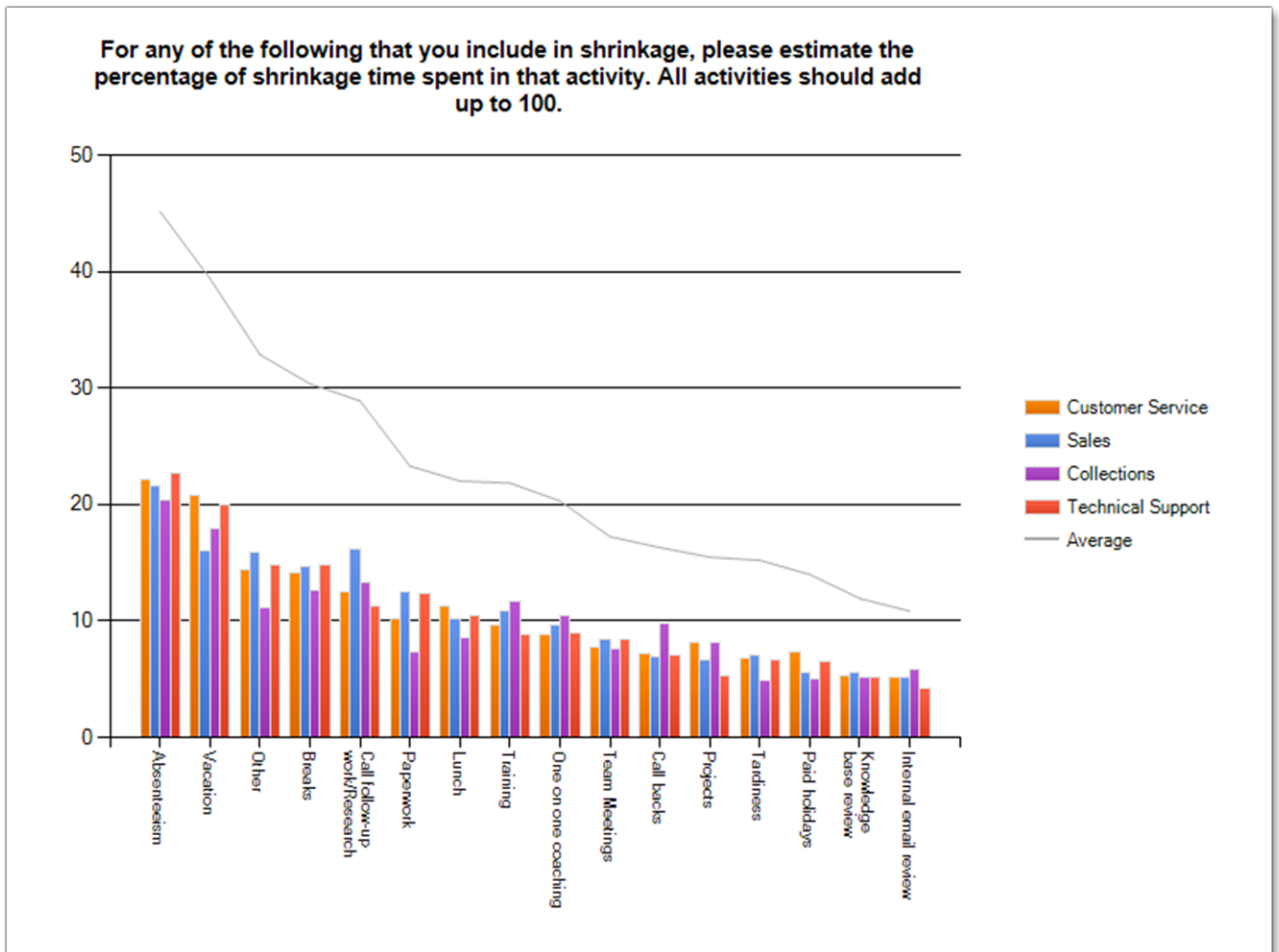# Breakdown of Shrinkage – By Contacts Handled

Figure 13 – Shrinkage Breakdown by Contacts Handled

There were a few differences in the breakdown of shrinkage activities among centers handling different types of contacts. Training comprises a larger portion of shrinkage for collections centers at 12%. For centers with sales, 16% of shrinkage is spent in call follow-up/research. Paperwork is more time-consuming for sales and tech support at 13% and 12%. Collections handles the least paperwork at 7%. Additionally, as might be expected given the nature of the work, collections centers have a higher percentage of call backs at 10%.

Time in Shrinkage - By Supported Channel

For any of the following that you include in shrinkage, please estimate the percentage of shrinkage time spent in that activity. All activities should add up to 100.
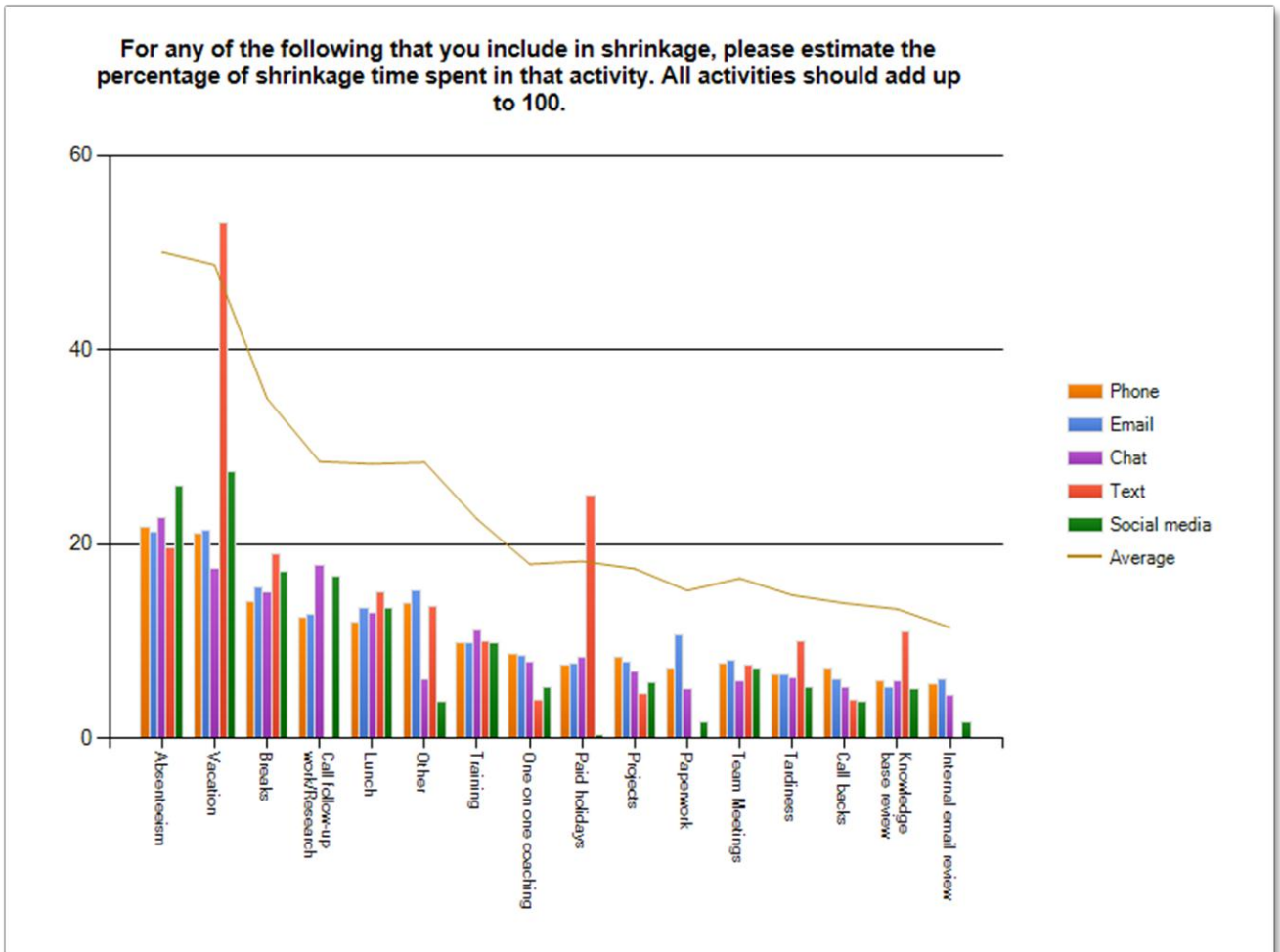
Figure 14 – Shrinkage Breakdown by Channels Supported

Organizations supporting newer channels show some variation from the average. Those supporting social media spend 16% of shrinkage in follow-up/research. Chat supporters spend 18%. Text supporters spend 11% of shrinkage in knowledge base review. Those supporting text and social media have lower than average numbers for one-on-one coaching and projects.

Time in Shrinkage

What percentage of agents' time is spent in shrinkage?

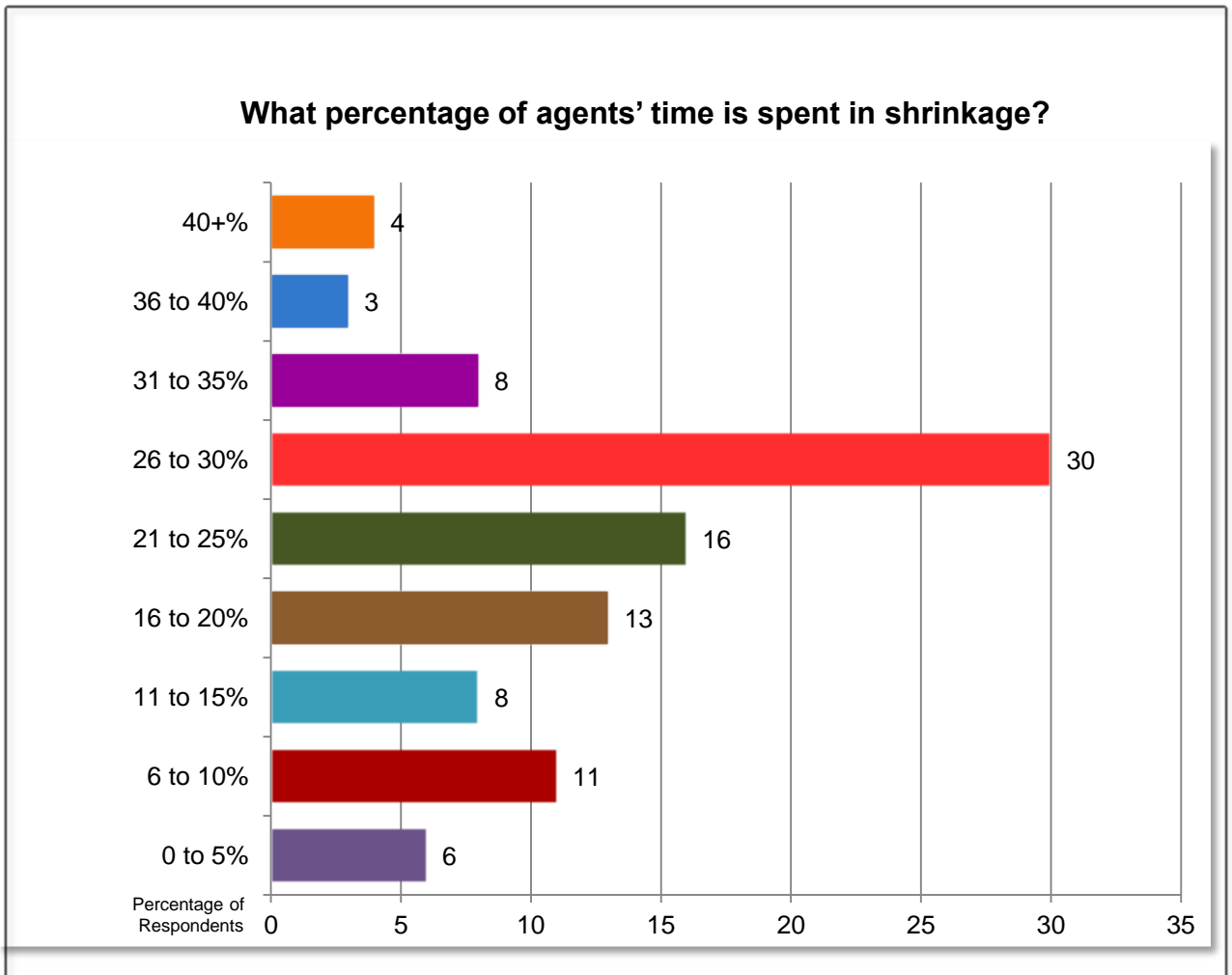| Category	Percentage of Respondents
40+%	4
36 to 40%	3
31 to 35%	8
26 to 30%	30
21 to 25%	16
16 to 20%	13
11 to 15%	8
6 to 10%	11
0 to 5%	6

Figure 15 - Time in Shrinkage

With an average of 24% shrinkage across all respondents, the most frequent response was between 26 and 30%.

There was no significant difference in overall shrinkage percentage for those supporting newer channels such as text, chat and social media. There were differences when respondents were filtered by industry, size and contacts handled.
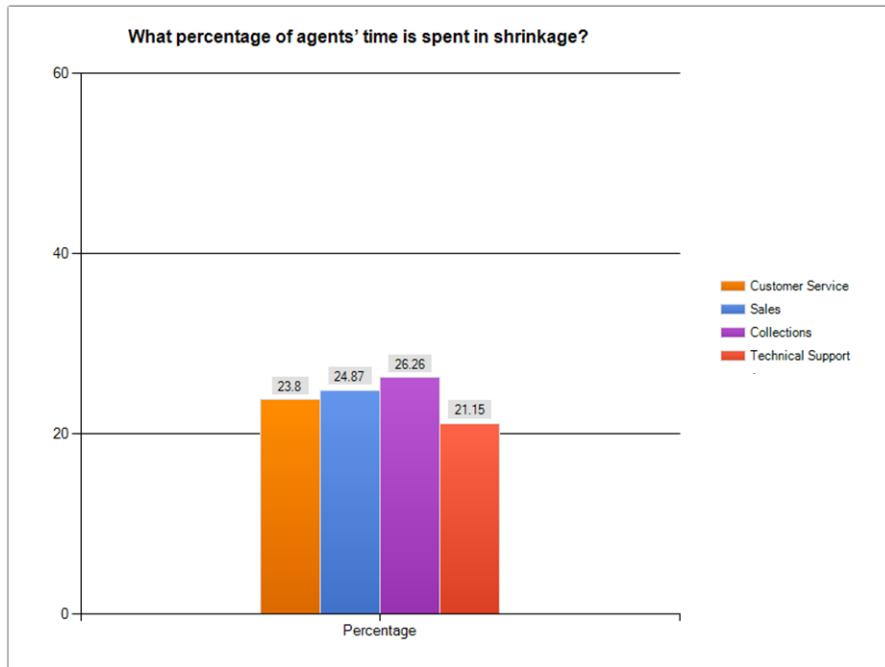
Shrinkage by Contacts Handled

Figure 16 – Shrinkage by Contacts Handled

Collections has the highest percentage of shrinkage at 26%. Technical support has the lowest at 21%, compared to the survey average of 24%.
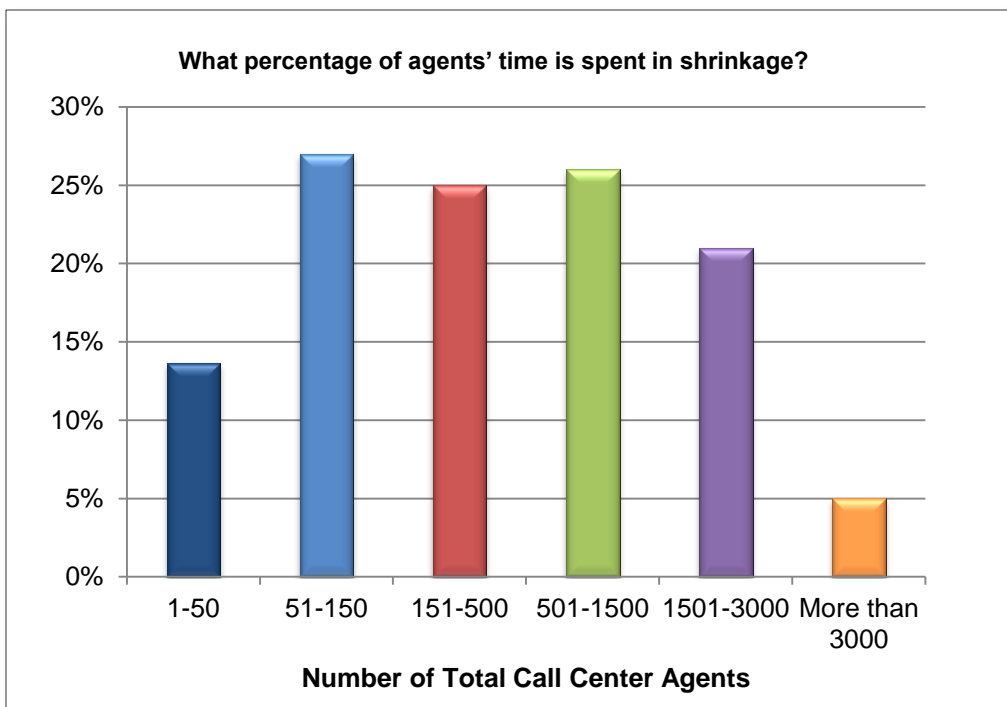
Shrinkage by Size

Figure 17 – Shrinkage by Size

The smallest and the largest centers have the lowest percentages of shrinkage time.
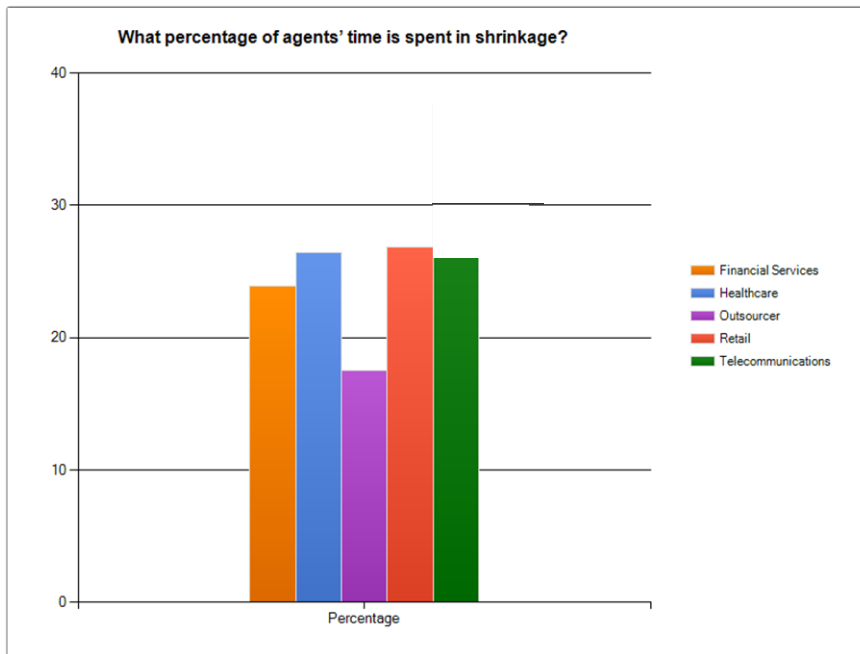
Shrinkage by Industry

Figure 18 – Shrinkage by Industry

Outsourcers report the lowest percentage of agent time spent in shrinkage.

Shrinkage Improvement

What would you consider a meaningful improvement in shrinkage?

46.7 % (49)

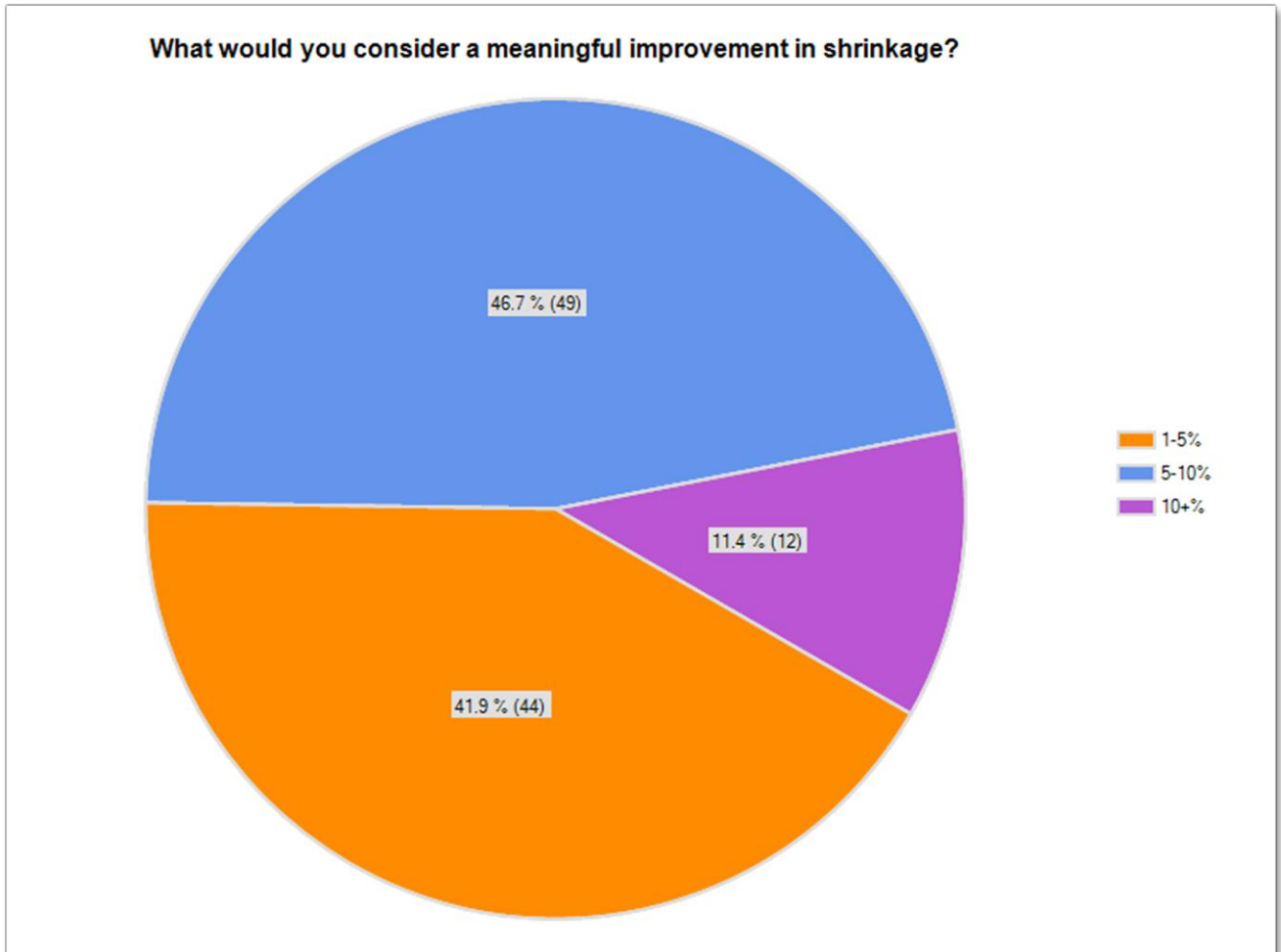11.4 % (12)

41.9 % (44)

- 1-5%
- 5-10%
- 10+%

Figure 19 – Meaningful Improvement in Shrinkage

The vast majority (89%) would be happy with improvement in shrinkage anywhere between 1 and 10%. There were some differences based on size, industry and contacts handled. These improvements would not be trifling. Based on industry average calculations, just reducing secondary loss by 2% could equate to a $600,000 saving for a 1,000 agent organization.

Meaningful Improvement – By Size

What would you consider a meaningful improvement in shrinkage?
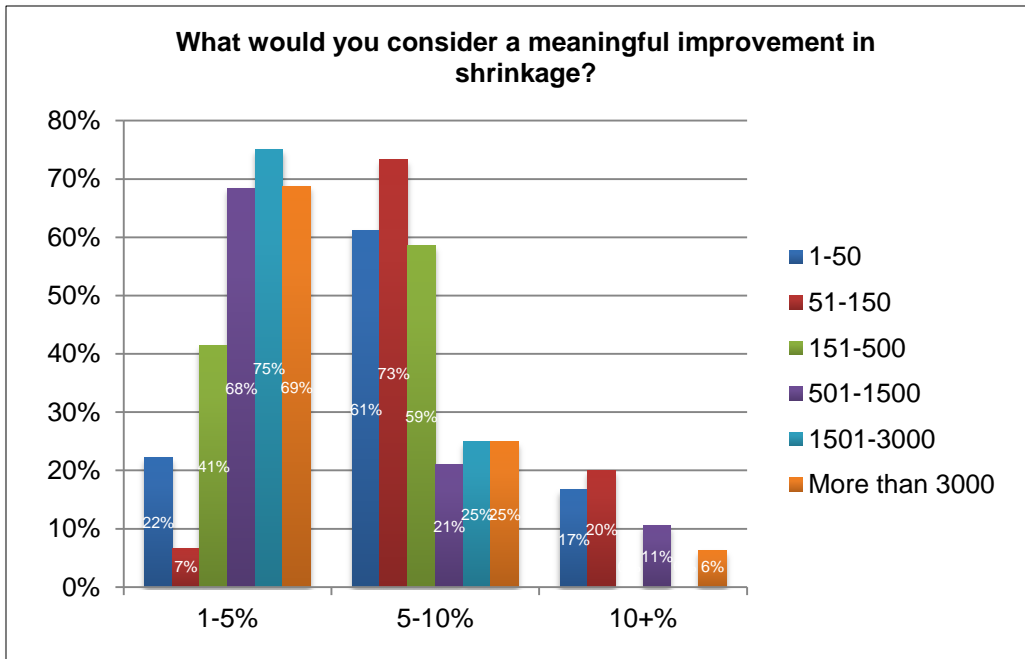

Figure 20 – Improvement by Size

Larger centers can obviously see greater returns with smaller improvements across many agents.
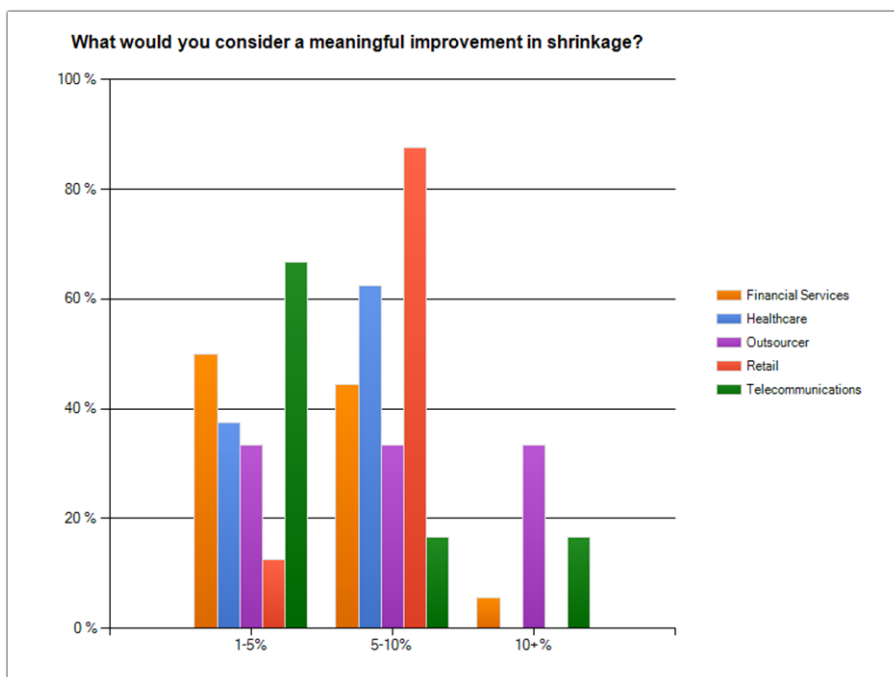
Meaningful Improvement – By Industry

Figure 21 – Improvement by Industry

Meaningful Improvement – By Contacts Handled

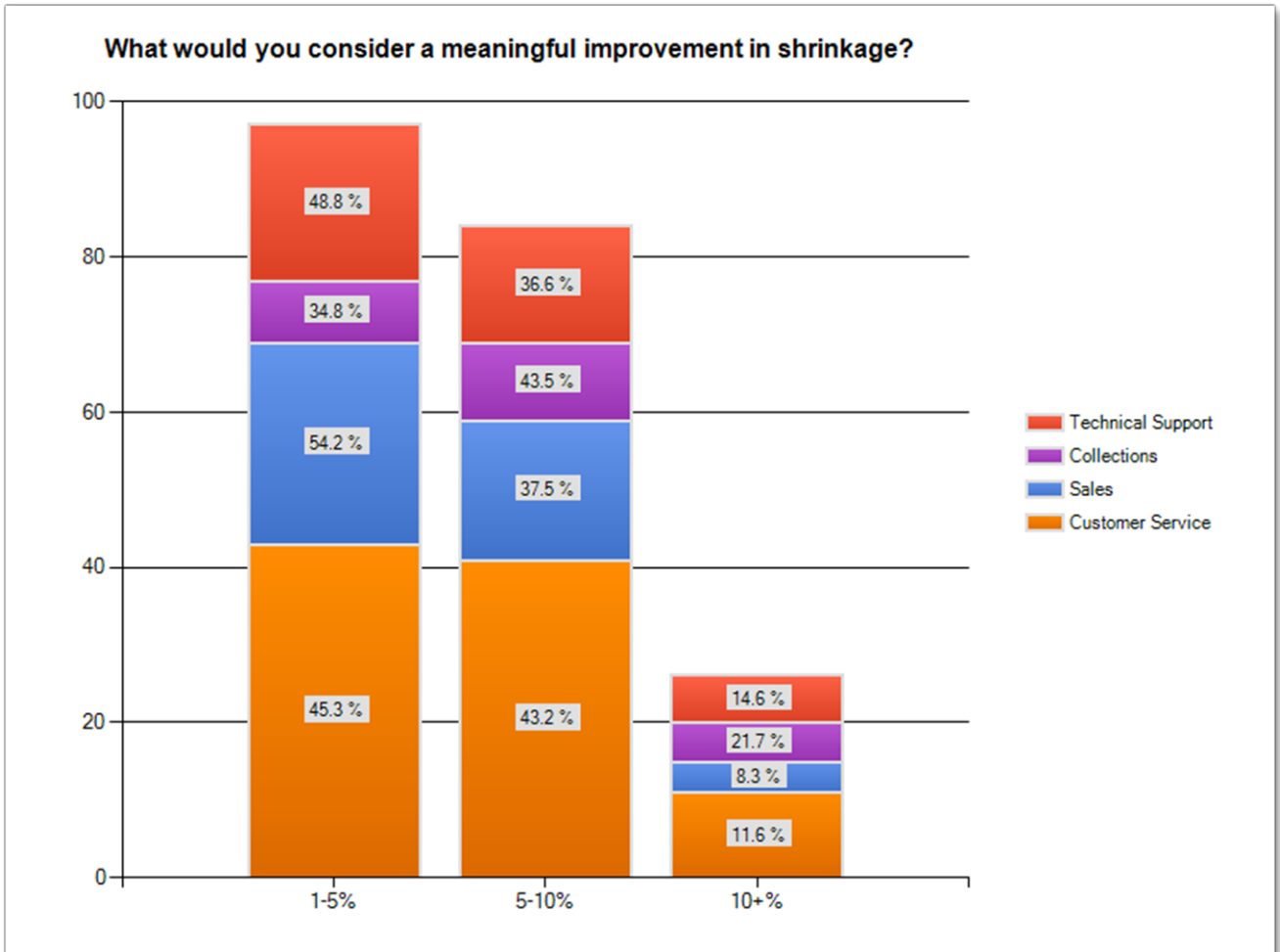**What would you consider a meaningful improvement in shrinkage?**

Figure 22 – Improvement by Contacts Handled

Compared to customer service functions, those with collections and tech support functions are looking for more improvement in shrinkage. 22% of collections respondents selected 10 or more percent improvement as meaningful and 15% of tech support. In contrast, sales functions are more likely to look for improvement in the 1-5% range, with 54% selecting this, as compared to customer service at 45%.

Shrinkage by Meaningful Improvement Selection

Figure 23 – Improvement by Shrinkage Level
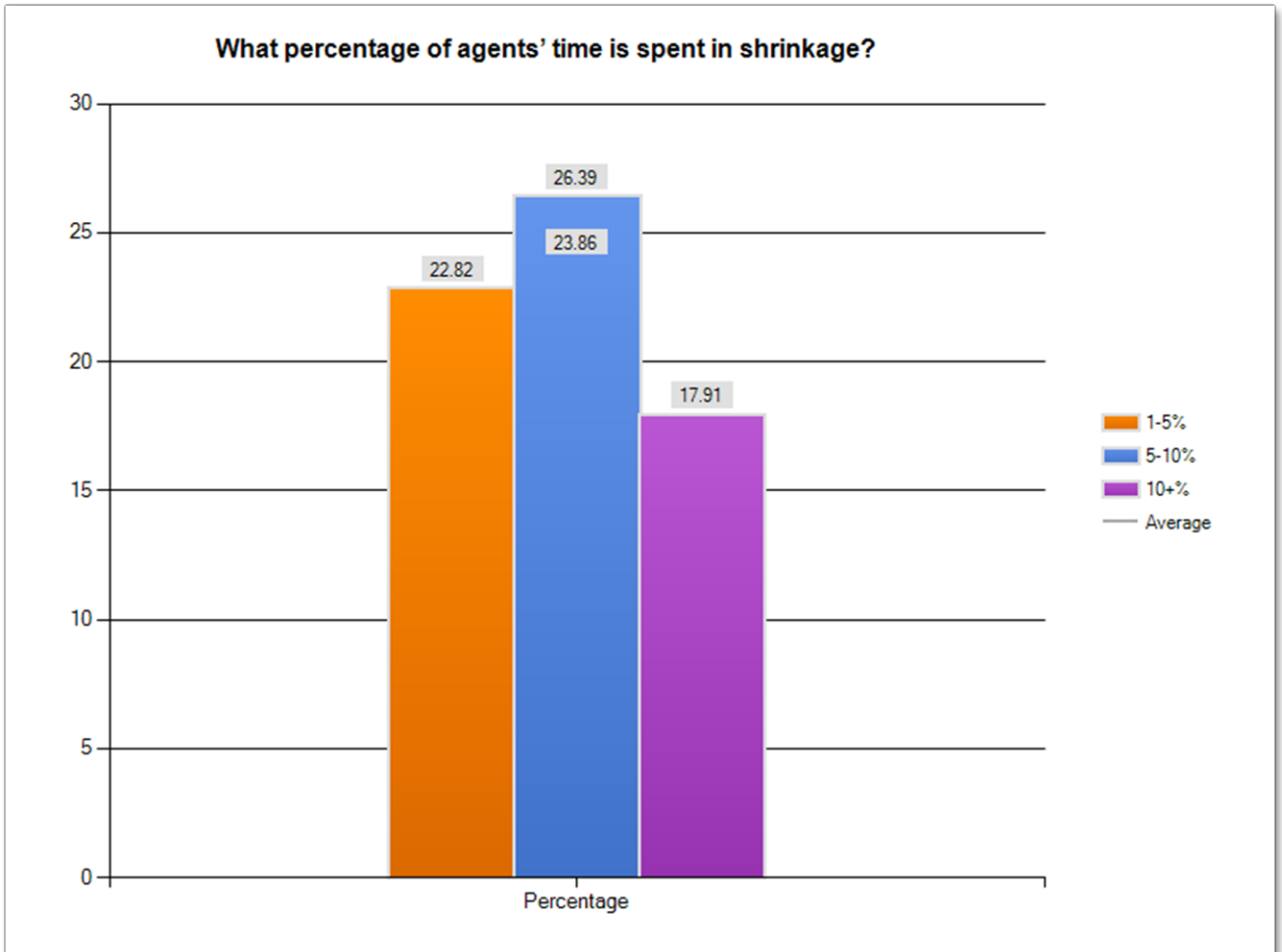
It is interesting to note the differences in what is considered meaningful in light of current shrinkage. The average shrinkage is nearly 24% and the vast majority of those surveyed would be happy with between 1 and 10 percent improvement. In this view, we see that those with the smallest average percentage of shrinkage time (18%) are looking for the largest improvement (10+%).

Multi-Channel Centers

The following views are filtered by organizations who support phone, email and at least one of chat, text or social media channels.

Financial Services and Healthcare were least likely to be multi-channel in this survey. Most likely to be multi-channel were Outsourcers, Retail and Telecommunications. By size, mid and very large organizations were more likely to be multi-channel, with 25% of multi-channel centers at 151-500 agents and 25% at more than 3000 agents.

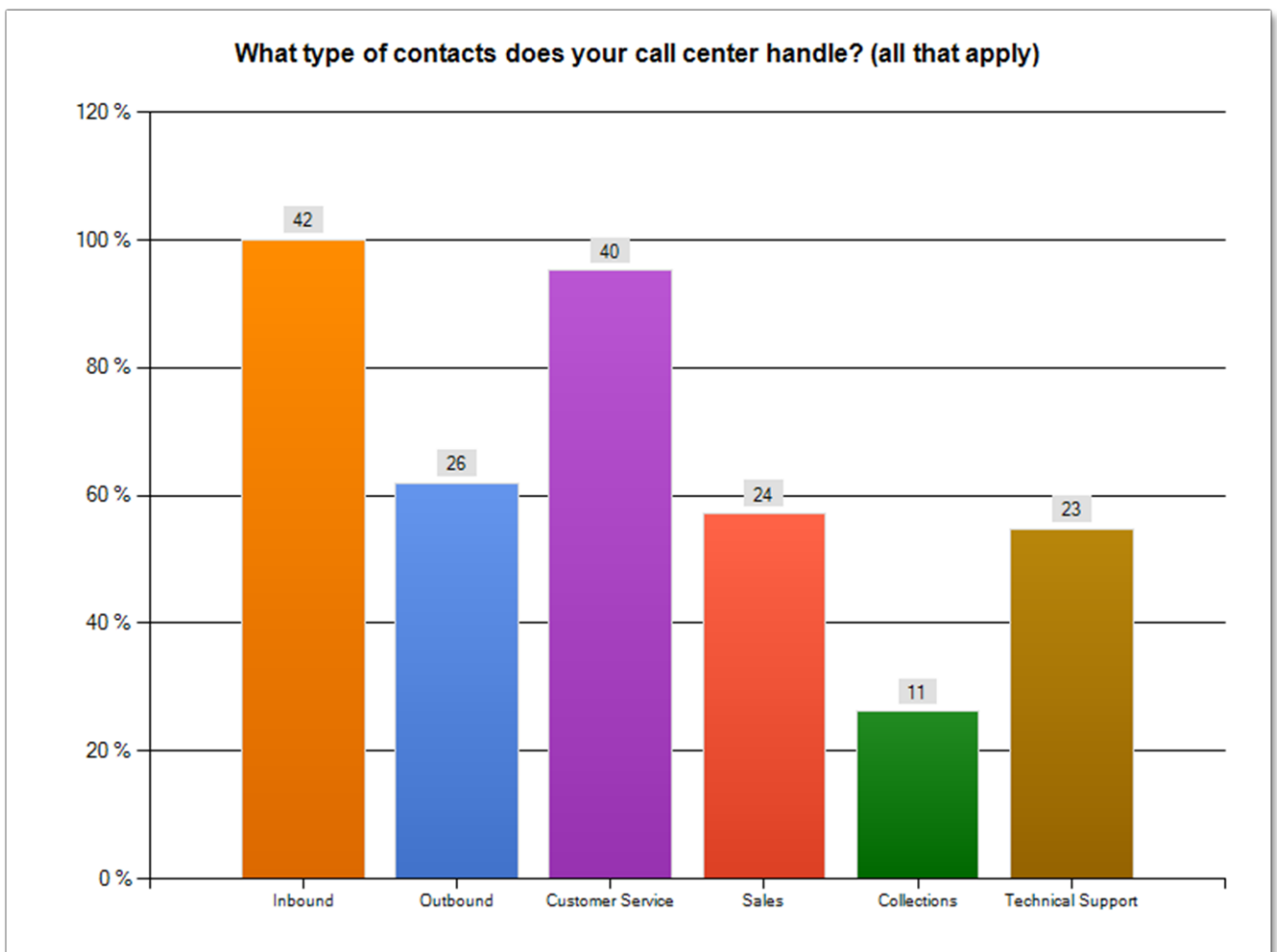The following show the few areas where multi-channel centers differed from the average.

Figure 24 – Multi-Channel Contacts Handled

Sales and technical support are the most likely to be handled by multi-channel centers with 57% and 55% respectively.

Breakdown of Shrinkage – Multi-Channel Centers

For any of the following that you include in shrinkage, please estimate the percentage of shrinkage time spent in that activity. All activities should add up to 100.

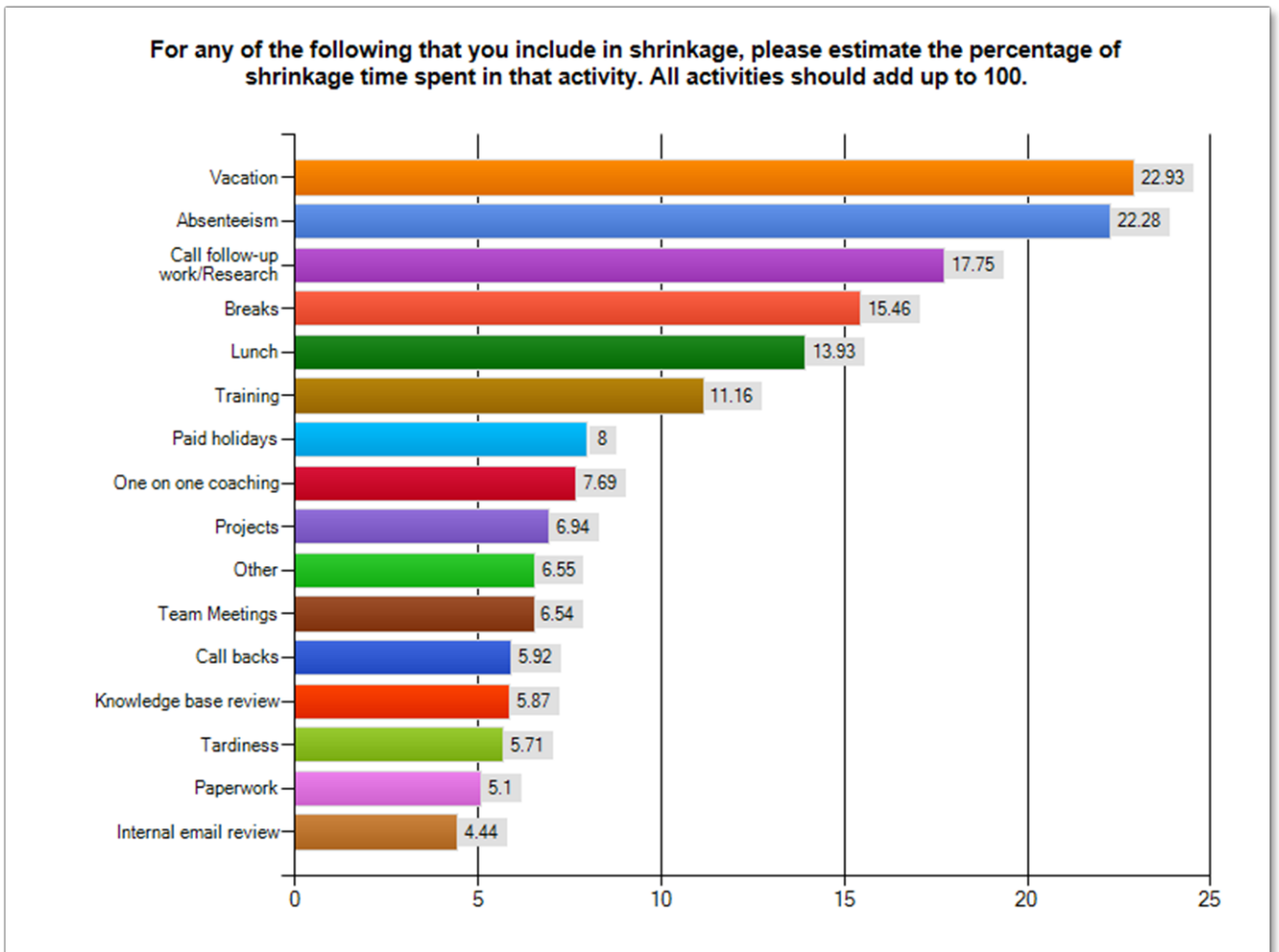| Activity	Value
Vacation	22.93
Absenteeism	22.28
Call follow-up work/Research	17.75
Breaks	15.46
Lunch	13.93
Training	11.16
Paid holidays	8
One on one coaching	7.69
Projects	6.94
Other	6.55
Team Meetings	6.54
Call backs	5.92
Knowledge base review	5.87
Tardiness	5.71
Paperwork	5.1
Internal email review	4.44

Figure 25 – Shrinkage Breakdown in Multi-Channel Centers

The significant difference for multi-channel centers was in call follow-up, with 18% spent in this activity as compared to the average of 12% across all centers.

About Knowlagent

Knowlagent provides the only call center software that increases agent utilization by delivering shrinkage activities during idle time. Knowlagent creates active wait time through dynamically delivered sessions for common shrinkage activities between customer interactions. Knowlagent's solutions are on-demand, easy to use and require no capital expenditures. Over 200,000 agents and managers around the world use Knowlagent's solutions every day. For more information, call 888-566-9457 or visit us online at www.knowlagent.com.