



Staying Afloat in a Sinking Economy

A Call Center Manager's Survival Guide



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Introduction

As the United States faces its worst economic crisis since the Great Depression, the effect is being felt around the world. Many companies are looking for programs and projects to cut. The call center, though rising in perceived value to senior management, is often viewed as a "cost center," and an easy place to trim the fat. Call center managers must justify the center's contribution to the company's bottom line, and offer a solid plan for doing "more with less." This requires resourcefulness and a willingness to make sacrifices until the storm passes. But it can be done.

To do more with less, work from the inside out. Start with the foundation of the center – the processes and technology that keep you up and running. Once internal operations are streamlined, call center managers must look to their workforce to capitalize on the power of information and resources. And finally, attention should turn to the customer, whose changed perspectives merit a renewed approach to customer service. Call centers that meticulously dedicate themselves to these three principles can successfully weather the economic storm.

Step 1: Improve Operational Efficiency

Put Real-time Data in Context

During economic downturns, executive management often looks to the call center's operational budget for cuts. Call center managers must differentiate between "nice to have" and "must have" areas of the center. Since operating expenses often amount to 55 to 65 percent of the total call center budget¹, this is a good area to comb for potential efficiency gaps. The first step in doing so is to carefully measure your center's real-time and historical performance as they relate to forecasting data and goals. Only when you have an accurate picture of all four indicators can you truly measure performance and identify areas ripe for improvement.

The first indicator of operational efficiency, real-time performance, functions as the "ounce of prevention that produces a pound of cure." Real-time data, when instantly documented and conveyed to agents and supervisors, allows your team to identify potential problems before they turn into costly mistakes. For example, if you know that customers are currently dealing with excessively long wait times, you can take a number of corrective actions, such as assigning more agents to that queue or instructing agents to apologize to the customer.

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If real-time data shows excessive agent idle time at certain parts of the day, you can make appropriate staffing changes or reassignments to improve efficiency. When you are aware of the real-time experiences of your customers and agents, you can make adjustments now rather than later when the damage is already done.

Real-time data is best utilized when set against the backdrop of historical performance, forecasting data and business goals. Putting your actual performance in context of where you've been and where you hope to be offers invaluable insight. Use historical data to identify trends in caller activity and agent performance, and keep an eye throughout the day on real-time metrics that do not meet goals or forecasts.

Gathering this data is no easy task. By the time call center managers dig through reports in search of relevant real-time information, that data is no longer timely or useful. This hurdle can easily be overcome, as there are several quality software products on the market that integrate with your ACD, workforce management systems, and even internal databases, to give you a complete picture of real-time, historical, and goal data in one snapshot. Such tools achieve two important ends – arming you with the information you need to make informed operational decisions, and freeing up your time so you can get back to more strategic tasks.

Investing in efficiency tools may seem contrary to your instincts – after all, you've been tasked with saving money, not spending money. However, experts agree that strategic spending and careful utilization of resources in an economic downturn can actually jumpstart a stagnant operation and offer a significant return on investment. When your competitors are cutting back in key areas, they give your business the opportunity to stand out from the crowd and exceed customer expectations.

Leveraging new technologies is an important line of defense against a slowing economy. However, you need to be ready with a plan for making the most of these tools, and for evaluating and revising your strategies on an agile basis.

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Step 2: Optimize Your Workforce

Agent Self-management Increases Productivity

When executive management instructs you to do “more with less” in the call center, it usually involves a workforce reduction. Since your agents are among your most valuable assets, this can prove to be an enormous setback.

However, the reality of staff reductions may work to your advantage. If the least productive agents are eliminated by layoffs and the most experienced and talented agents remain, you can make the most of this elite group of workers. According to the 80/20 rule, the majority of quality work was done by this group anyway, and they are best able to self-manage. So give them the tools to do so.

In order for agents to self-manage and modify their behavior based on changing conditions, you need to give them direct visibility into what's happening in the call center as it happens. There are several means to communicate real-time data to agents, the most cost-efficient of which is displaying basic queue stats on an LED wallboard. If the layout of your center doesn't allow for good visibility of common wallboards or if agents work remotely, you may wish to display this information on each agent's computer desktop instead. However you choose to display it, the important thing is that agents are aware of real-time data and can balance their priorities accordingly. For example, if agents see that average wait time is excessively high, they can speed up their current conversations to accommodate calls in the queue. Or if they notice that very few calls are waiting, they know they are free to spend more time with current callers, therefore improving customer satisfaction.

Allowing agents to self-manage means that you can spend more time on strategic initiatives. Remember, your time is among the most valuable resources in the call center; use it wisely.

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Morale and Attrition

Employee attrition has always been a top concern for call center managers. On average, replacing one agent costs a call center about two months of a typical agent's pay. When taking into account lost productivity, that number roughly doubles.²

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With job security declining and layoffs on the rise, employees in every industry are bound to be nervous. Now more than ever, retaining good employees is vital to reaching corporate goals.

Many call center agents cite a reason for poor morale is the relatively low level of independence granted to them and high level of monitoring by managers. In response to this problem, one international bank I worked with decided to minimize the micromanagement effect by giving agents access to real-time queue metrics on a wallboard. This eliminated much of the “aisle patrolling” done by managers and allowed agents to make their own tactical judgments based on queue statistics. Agents felt less like managers were always looking over their shoulder and managers had more free time to focus on strategic initiatives. It was a win-win.

This kind of real-time visibility into “big picture” operations improves employee morale. If your agents can see what is happening in the center, they are better equipped to deal with customer concerns and they feel more in control over their own job performance. This involves not only visibility into call statistics, but also regular communications directly from senior management. When they don't hear from you – regarding the company's solvency, individual job security or corporate strategy – they may assume the worst. Lost productivity from water cooler gossip can be easily averted with simple and straightforward corporate communication.

Step 3: Adjust Customer Service Strategy

Consumer Confidence

Typically, customers have very few windows into your company. Often, the only interaction they have is with a call center agent, who in essence “is” the company in the eyes of the caller. With that role comes great responsibility, and the interactions that take place through agent headsets are vital to your brand. In tough economic times, call center managers and agents must make more of an effort than ever to instill consumer confidence.

There is a long standing myth in the call center industry that if you focus on improving key performance indicators (KPIs), customer service objectives will fall by the wayside. The truth is, however, that the two are not mutually exclusive. For example, by measuring First Contact Resolution (FCR), you gain invaluable insight into the customer satisfaction and loyalty that drives the metric. FCR is an excellent indicator of how well your agents are responding to

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customers' needs in a down economy.

Consider a scenario in which a customer has a poor experience with your contact center. Not only will this customer likely contact your center again about the same issue, but that customer's overall satisfaction with your company begins to erode. Now consider how a down economy impacts that customer's interactions with your center. Callers left in the queue for extended periods of time begin to grow frustrated, and in extreme cases, may begin to question the integrity of the company overall.

"First Call Resolution is an excellent indicator of how well your agents are responding to customers' needs in a down economy."

Without real-time insight into your center's FCR rate, how can you achieve your customer service objectives and instill consumer confidence? If you and your agents have good insight into your FCR rate, not only does this indicate that you're paying attention to improving service levels, but improved customer satisfaction and brand loyalty will follow.

Keep Your Call Center Afloat

The economic downturn in the U.S. is hitting businesses and consumers hard at home and around the world. Call centers are relied upon for the increasingly important task of customer retention and company branding, and expected to do more than ever with fewer resources. Smart call center managers can avert disaster by evaluating key areas of operation and making appropriate adjustments. Running a call center in an economic boom is not the same as doing so in an economic bust, and recognizing that your strategy needs to change is the first step.

To sum up:

- Real-time information is paramount. If you know what is happening in your center as it happens, you can enact contingency plans or modify strategies accordingly.
- Let call center technology tools help you. Automate where you can, and free up your own time for the strategic decision-making that can't be done by a machine.
- Recognize that your team of agents is your most valuable asset. As they fear for their own financial security, they will look to you for honest communication and morale boosters. Arm them with the tools they need to successfully self-manage.

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- Your customers may not respond well to change. During times of uncertainty, they need you and your agents to be a rock of stability. Take every opportunity to remind them that you provide superior service.

About the Author



Wendy Hubbard, M.Ed., is the co-founder and Executive Vice President of Inova Solutions, a provider of real-time reporting solutions for inbound and outbound call centers. Wendy has 25 years of experience in call center operations and business management and can be reached at info@inovasolutions.com.

About Inova Solutions

Inova Solutions specializes in the capture and transmission of real-time data. Operating globally, Inova helps organizations communicate faster and more effectively to positively impact operations. Inova's offering encompasses award-winning communication software, display hardware, services and support. Learn more at www.inovasolutions.com/call-center-reporting.

Endnotes

¹ Tehrani, Najdi. (2008, October 9) Managing Contact/CRM Centers in a Slowing Economy. *Customer Interaction Solutions Magazine*.

² Holman, Batt and Holtgrewe. (2007) The Global Call Center Report: International Perspectives on Management and Employment. *The Global Call Center Project*.