

Workforce Optimization: a Business Process

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Workforce Optimization: A Reality for Economic Survival

Over the past five years, workforce optimization (WFO) has evolved from an abstract concept into a viable reality, with the market projected to account for more than \$1 billion in revenue from contact center investments by 2008.*

This market interest in WFO is a matter of survival. The cold, hard reality of today's economy is that nearly every organization must balance service quality, efficiency, and effectiveness with the pressures of revenue generation, cost cutting, and profitability. This balance is often complex and difficult to achieve, which in turn has generated — indeed, necessitated—the demand for WFO. It is no surprise that WFO is the “celebrity technology” of the moment, garnering coverage in analyst reports and trade publications and being discussed at length at industry events.

There is, however, a problem, and it is significant: WFO is *not* a technology, and enterprises that deploy WFO with this mindset and methodology may well face disappointment with the results.

Lessons Learned from the CRM Debacle

The adage that history repeats itself is all too true. About a decade ago, the buzz was around customer relationship management (CRM). CRM purported to build customer loyalty through the deployment of software in the contact center to capture customer data that could be used, for example, in delivering better service.

A closer look reveals that CRM incorporates several different components:

- Technology component to provide data capture
- Analysis component linked with a process enhancement component to enable data to be used for delivering better service
- Measurement component to validate and increase customer loyalty, typically measured by repeat sales

During the early days of CRM, the technology element received virtually all the focus. Unfortunately, the net result was a rapid disenchantment with CRM as companies struggled to justify the

cost of the systems — not to mention the time from deployment until actual use in production — with the meager or undefined results they produced.

It took several years before CRM was recognized as a business process, not a technology, and with this recognition came a new approach to implementation. CRM began to deliver on its promise.

The same rationale applies to WFO. Although WFO certainly includes technology, it's a business process that impacts many areas of the organization — especially the contact center, since it is the primary link with customers. The sooner an organization embraces this concept, the closer it is to a successful WFO implementation.

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WFO Defined

If WFO isn't a technology, then how is it defined? Simply said, WFO is the convergence of four key contact center functions that work together in support of a greater customer service strategy. Each function combines people, processes, and technology to achieve an end result:

- Quality assurance – Provides recordings and evaluations of the complete customer experience across multimedia touch points
- Forecasting and scheduling – Drives efficiency and adherence, aids in planning, and helps facilitate optimum staffing and service levels
- Reporting – Provides key performance indicators (KPIs) and scorecards that analyze and help identify staff strengths, areas for improvement, and trends
- Training – Includes e-learning, along with new information and protocol disseminated to staff online

* Gartner, *Contact Center Workforce Optimization: The Consolidated Suite*, 14 – 15 March 2006.

Typically, contact centers implement these functions as separate systems that operate independent of one another. Data exchange among the systems — when it occurs — can be cumbersome and may require significant manipulation to render the desired metrics. In contrast, WFO unites these processes into a single, interoperable solution that provides visibility into an organization’s entire customer service lifecycle, from planning and establishing goals to scheduling and deploying the appropriate staff, measuring and recording their performance, using that information to investigate and analyze results, and then changing business processes and adjusting employee skills to meet the goals.

In effect, WFO becomes a relational process through which organizations continually improve and get a return on their biggest asset — their workforce. Instead of being a reactive cost center perceived as a drain on overhead, the WFO-enabled contact center functions as a proactive, information-rich department that delivers strategic value to the organization.

WFO and the Customer-centric Organization

Increasingly, companies are adopting what research firm Gartner refers to as “customer centricity” — a management strategy through which the customers’ wants and needs drive a company’s business processes.

Customer centricity can be a huge competitive advantage, but it represents a radical rethinking of how a business operates, since most businesses put policies in place based on their own preferences and convenience, internal accounting procedures, and existing technology and infrastructure.

Getting started with customer centricity requires a significant shift in mindset. Executives must see beyond bottom-line revenue, cost cutting, short-term profitability, and instant return on investment. Department managers must set aside office politics and look outside their functional silos to foster better interaction with their peers in other areas. Employees must be allowed to work outside of their carefully defined areas of responsibility to make decisions that target the customer’s needs.



WFO provides visibility into an organization’s entire customer service lifecycle, enabling continuous improvement.

Unfortunately, this is easier said than done. Most organizations have several different functions that address customer needs and internal business processes. Typically, one group focuses on scheduling and deploying staff while another focuses on recording and measuring performance. Another group focuses on training, while yet another group handles long-term planning.

Common sense tells us that these groups should work together. Common experience shows that they do not. Typically, these groups are forced to make isolated decisions and act independently because they have limited access to information outside of their functional areas. They lack visibility into the information they need, or it may take too long to get to key pieces of information, leaving them to make decisions slowly, inaccurately (because of manual processes and calculations), and in the myopic confines of their silos. The “big picture” of corporate strategy is never addressed because it cannot be seen.

In the customer-centric environment, the underpinning for success is information about customer interactions, supported by business processes that allow employees to make decisions based on the information before them. This information must be timely, accurate, and readily (and appropriately) shared among groups, regardless of where they are located. It needs to be easily searched and stored.

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Conceptually, this sounds quite simple, but even small companies quickly discover that the sheer number and types of customer interactions across multiple media are too complex and overwhelming to facilitate easy sharing and analysis. Capturing the data isn't the problem; analyzing it and using it to make decisions pose the difficulty. This is where WFO comes into play.

WFO provides the link among the people, databases, processes, and systems used to deliver customer service. And in a customer-centric organization, it's vital. It helps forecast demand in the contact center and schedule the right agents with the right skill sets at the right time. It provides insight into customer satisfaction, shifting the emphasis of quality monitoring from what the *agents* are doing to what the *customers* are doing. What are they saying? Are they satisfied? If not, why? What can be done to fix the problem? WFO enables users to sort through thousands of interactions, pull the necessary information together quickly, and then disseminate it to the people who can act on it.

Going further, WFO can detect strengths and weaknesses in agent skill sets, enabling supervisors to take appropriate action.

It provides key performance indicators, scorecards, and training to personnel to help them get a sense of their own performance and build their skills. It provides different groups with access to data that's relevant to their functions.

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In short, WFO provides a cycle — a true process — for capturing, storing, sorting, delivering, analyzing, and acting on customer and organizational performance data. And using the Web, WFO can deliver this complete business process across an entire organization, regardless of the number of branch offices or their location. It's the only practical way for organizations with more than a small number of employees to achieve true customer centrality.

Barriers to WFO Realization

If WFO is so practical, then why are some companies hesitant to put it into practice?

One of the biggest barriers to realizing WFO is the perception among senior executives that the contact center is already a drag on the bottom line. And contact center managers themselves often fan the flames by providing executives with statistics that fail to show the value that the center provides to the enterprise. What emerges is a cruel equation in which anticipated cost plus no perceived value equals no expenditures. As a result, the contact center is trapped in an endless spiral of cost-cutting and having to do more with less. This is a very discouraging situation that can sap the enthusiasm from even the most loyal supervisor or team of agents.

Another barrier arises from the fact that most contact centers already have systems and processes in place and are understandably reluctant to change them. Few organizations have the luxury of being able to swap out their current systems altogether. The situation is further complicated by aging technology. As TDM switches move toward the end of their useful lives, VoIP offers promising capabilities. However, the perceived complexities of pairing a WFO implementation with a migration from TDM to VoIP can be daunting, even to a highly experienced IT director. Once he or she gets beyond the most fundamental questions — can it be done, and will it work? — there is the inevitable barrage of questions from the executive suite to contend with: What's the total cost of ownership? How do you justify the ROI? How is implementing WFO going to help the bottom line?

Fortunately, WFO offers real answers to these questions and the flexibility needed to address each of these obstacles.

Getting Started with WFO

WFO isn't something that's realized overnight. Enterprises cannot just flip a switch and suddenly be WFO-enabled, customer-centric organizations.

Like all business processes, WFO is put into practice gradually. Some organizations choose to start in a particular contact center or across multiple centers that serve a particular geography, customer segment, or line of business. The appropriate business processes are defined to support the company's strategy (for example, customer centricity), the WFO software is implemented in accordance with the processes and strategies, and the employees are trained.

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For enterprises that are phasing out older systems and processes, it is imperative to inquire about the modularity of the WFO software under consideration. Will it work with the existing systems? Will it support a phase-over from TDM to VoIP? Is it flexible enough to accommodate expansion or changes in business processes? Can it handle agent and customer requirements that vary from one site to the next? Does it meet with the compliance or regulatory guidelines that exist for that particular industry?

Obviously, organizations that implement WFO incrementally will not receive the complete spectrum of benefits immediately, although they will almost certainly see some initial efficiency improvements. These depend on the specifics of the implementation and often include:

- Greater accuracy at forecasting and scheduling
- Enhanced adherence
- Expanded capabilities for voice/screen capture/recording
- More focused evaluations and best practices training

In turn, these benefits translate into cost savings and may also enable organizations to reduce risk, decrease average handle time, improve quality scores, drive down average speed to answer, ensure adherence, and manage occupancy.

Making the Move to Customer Centricity

With a comprehensive WFO solution in place, the benefits increase. Because WFO integrates multiple functions into a seamless process, it eliminates multiple user interfaces, agent databases, and security models while greatly simplifying system administration. It makes installation and implementation easier, reduces learning curves and training expenses, simplifies upgrades, and lowers maintenance and software expenses — all of which translate into lower total cost of ownership and faster, ongoing ROI.

Moving beyond total cost of ownership, a complete WFO solution truly does enable organizations to optimize contact center performance. It provides a means of balancing productivity with quality, increasing center-driven revenue, and standardizing service across touch points and complex transactions. This translates into improved first call resolution, reduced shrinkage, enhanced up-selling and cross-selling, and increased customer satisfaction driven through the contact center. WFO paves the way to a uniform contact center experience and the initiation of a performance improvement culture — key components in a customer-centric enterprise.

Once fully implemented, a complete WFO solution provides metrics for root cause analysis and overall customer satisfaction. At this strategic point in the WFO implementation cycle, companies may opt for added functionality that enables competency-based learning, speech analytics, and an expanded view of performance. They also may seek to extend WFO beyond the four walls of their brick-and-mortar centers — using their VoIP infrastructures to extend these advantages to include their at-home agents and virtual workforce. What emerges is a center that is aligned with the rest of the enterprise, able to maximize efficiency and effectiveness while facilitating proactive collaboration with the rest of the organization.

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Through an interwoven, interoperable WFO solution, enterprise goals, contact center targets, and customer objectives can be aligned and linked together. With the right approach, careful planning, and frequent communication among departments and with upper management, contact centers can make WFO a reality, realize a fast and ongoing return on investment, and deliver the kind of service that keeps customers coming back — and the competition at bay.

About the Author

Oscar Alban serves as principal global solutions consultant for Witness Systems — a global provider of workforce optimization software/services for contact center, IP telephony, and back-office environments. With more than 20 years of contact center experience, he regularly speaks at industry trade shows and conferences and performs consulting engagements at customer sites worldwide, where he focuses on the mission-critical aspects of capturing customer intelligence and optimizing workforce performance.