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WORKFORCE MANAGEMENT FOR DIGITAL-SAVVY CONTACT CENTER LEADERS: MODERNIZE WFM ACTIVITIES TO MAXIMIZE DIGITAL TRANSFORMATION SUCCESS

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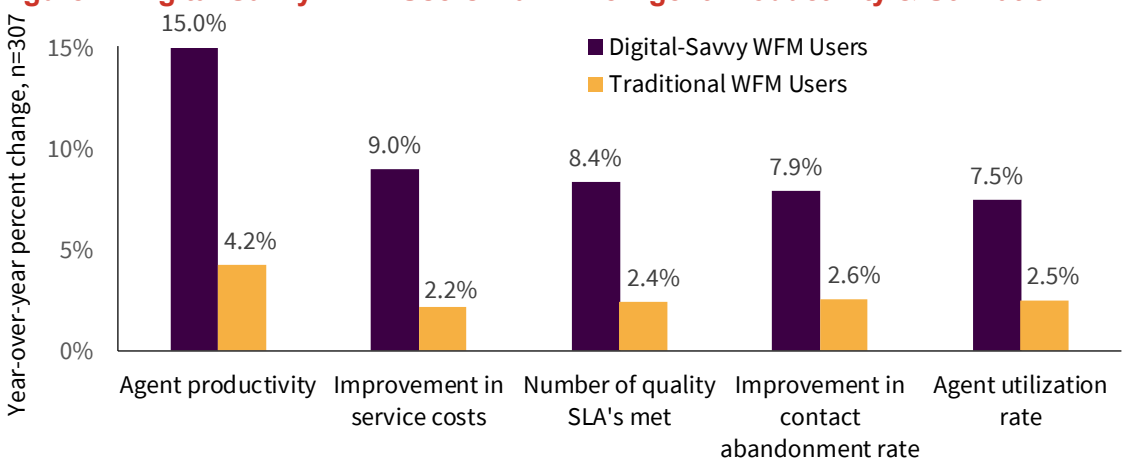
This report highlights how the increasing use of digital channels is affecting WFM activities in the contact center, and how firms who are transforming their traditional ways to manage these activities to become more 'digital-savvy' are influencing the ability to keep-up with rapidly changing buyer needs.

The ROI of Digital-Savvy Workforce Management (WFM) Programs

The traditional call center has long transformed into the modern contact center that blends phone and digital conversations to serve customers. In fact, findings from Aberdeen's *Contact Center Executive's Agenda* survey shows that, in addition to phone, **all contact centers currently use at least one digital to serve clients**. The specific digital channels (e.g. email, live chat, text messaging, and others) firms use vary from company to company. What's common across all businesses, however, is the need to address customer demand across all channels in a timely and efficient manner. This is where digital-savvy WFM programs (see sidebar) come into play.

Firms using traditional ways to manage their WFM activities (e.g. forecasting, scheduling, etc.) rely on employee skills and knowledge to schedule the right number of agents to address fluctuating traffic across all channels. This is no easy endeavor as there are many factors influencing customer demand for service, and firms using traditional ways to manage WFM often struggle keeping-up with these complexities. Increasing use of digital channels, and the interconnected nature of channel utilization (i.e. customers using self-service for a part of their journey and then having a live chat conversation) make it even more difficult for firms to rely on solely employee skills and knowledge to accurately predict and address client demand. Digital-savvy firms use technologies such as predictive analytics, machine learning, and automation to this process to introduce greater accuracy and agility in these WFM activities. Figure 1 shows that transforming WFM activities from traditional to digital-savvy pays off.

Figure 1: Digital-Savvy WFM Users Maximize Agent Productivity & Utilization



Source: Aberdeen, June 2021

Definition: Digital-Savvy WFM

For the purposes of this research, Aberdeen defines 'digital-savvy WFM users' as contact centers that use all channels (digital & phone) in such a way that they can adjust their agent forecasting & scheduling activities to address customer demand across all channels in an effective & seamless manner.

When analyzing data, Aberdeen also defined adoption of machine learning, predictive analytics, and automation as criteria for firms building & managing digital-savvy WFM programs.

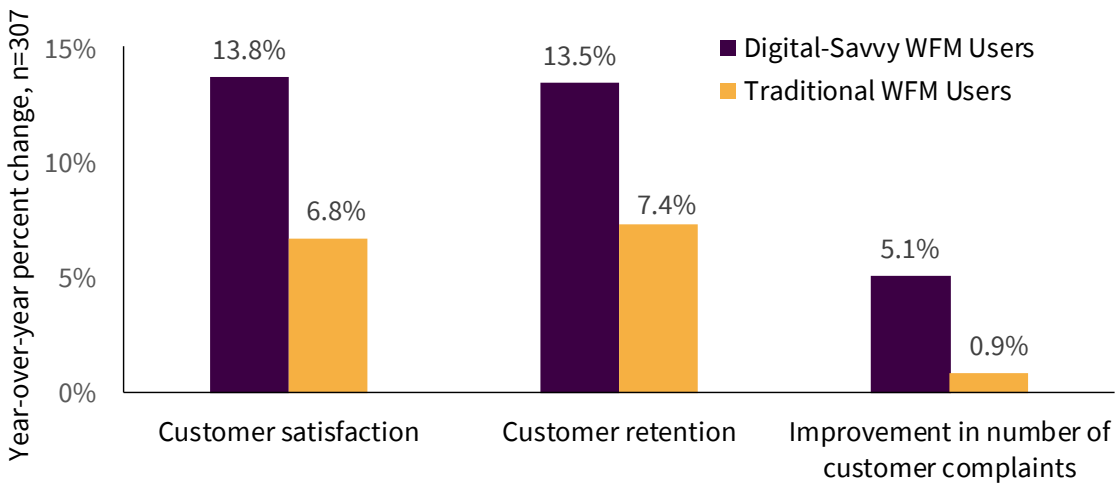
Their counterparts (traditional WFM users) also use digital channels, but they lack the capabilities to seamlessly manage agent forecasting & scheduling across all channels.

Improving agent productivity, optimizing agent utilization rates and reducing costs are among the top objectives driving WFM programs. Figure 1 shows that firms with digital-savvy WFM programs achieve 3.6x greater year-over-year (YoY) growth in agent productivity (15.0% vs. 4.2%) and 3.0x greater YoY increase in agent utilization rates (see sidebar). Such efficiency gains are made possible by leveraging AI capabilities to improve the ability to analyze more complex and vast volumes of data to fine-tune WFM activities.

Firms typically struggle with unnecessary costs when they fare poorly in managing agent productivity and utilization rates. Another benefit of using AI capabilities is improving the ability to make sure the agents with the right skills are available at the right times. This helps minimize unnecessary overstaffing costs while also decreasing the cost of customer churn due to lengthy wait times borne from understaffing. Indeed, Figure 1 shows that digital-savvy firms reduce their service costs by 4.1x more YoY, compared to their traditional counterparts (9.0% vs. 2.2%).

An organization's workforce isn't the only party that benefits from being digital-savvy. Customers feel it too. When Aberdeen looked at criteria such as customer satisfaction, retention, and improvement in overall complaints, once again, digital-savvy WFM users came out ahead of their traditional counterparts. Figure 2 shows that digital-savvy WFM users enjoy 5.7x greater YoY improvement (decrease) in number of customer complaints (5.1% vs. 0.9%). They achieve this result as 'right-sizing' staffing levels across all channels minimizes customer frustration due to late replies to messages, chats, and lengthy wait times for assisted service over the phone.

Figure 2: Transforming WFM Programs to Become Digital-Savvy Maximizes CX Results



Source: Aberdeen, June 2021

When customer complaints decrease, this naturally leads to improvements in customer satisfaction rates and client loyalty. Indeed, Figure 2 shows that digital-savvy firms that minimize client complaints also enjoy twice the YoY increase in

Definitions:

For the purposes of this research, Aberdeen makes the following definitions on metrics:

-Agent productivity: Percentage of agent time spend on 'productive' tasks such as serving customers, receiving coaching, and training and supporting back-office tasks.

-Agent utilization rate: Percentage of available agent time utilized to service customers and address other operational requirements such as supporting back-office tasks.

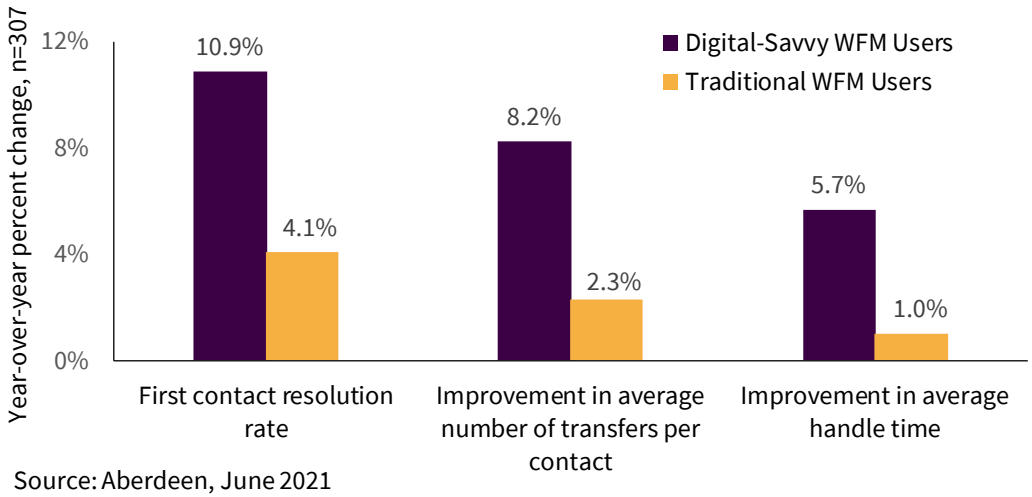
customer satisfaction rates (13.8% vs. 6.8%) and 82% greater YoY increase in client retention rates (13.5% vs. 7.4%).

While right-sizing staffing levels for all channels is important to address customer demand, equally important for contact centers is to ensure that the agents serving customers solve client issues in an efficient manner. This means that customers don't need to repeatedly contact the business for issue resolution. It also means that they don't need to explain their issue to several different agents because they needed to be transferred to another agent who may be the right person to address their needs. Use of AI capabilities once again proves useful in achieving these goals.

By using capabilities such as machine learning, contact centers can analyze historical interaction data and determine which agents are most skilled in addressing specific issue types. Using automation of routing workflows, customers with specific needs can then be connected to the right agents (through the right channels) who are most proficient to address these needs. These activities can be further enriched by observing the customer and agent personality types and using this data through automation to optimize routing through personality characteristics.

Figure 3 shows digital-savvy firms using AI capabilities outpace non-users by 2.7x greater YoY increase in first contact resolution rates (a measure indicating the percentage of customer issues addressed without the need for repeat contact – 10.9% vs. 4.1%). They also improve (decrease) the number of transfers per contact by 3.6x more YoY (8.2% vs. 2.3%) while shrinking handle times by 5.7x YoY (5.7% vs. 1.0%).

Figure 3: Digital-Savvy WFM Users Enjoy Superior Efficiency Gains



Source: Aberdeen, June 2021

The Role of AI in Facilitating Digital-Savvy WFM

One of the key characteristics that set digital-savvy firms apart from their counterparts is their ability to use vast volumes of data in an efficient and agile manner for activities such as forecasting and scheduling. They do so by leveraging AI capabilities. When defining the category of digital-savvy WFM users, Aberdeen used adoption of the AI

Digital-Savvy WFM Maturity Levels:

Firms don't go from novice to expert in digital-savvy WFM overnight. There is a learning and maturity curve companies typically go through as they use AI capabilities to adapt their WFM activities for the needs of the digital age. A brief overview of these levels are:

Level 1: Identify which channels require synchronous (e.g. phone, live chat, etc.) vs. asynchrounous conversations (text messaging, email, etc.). Adjust WFM activities to primarily address real-time requests while scheduling sporadic times for certain agents to address backlog work.

Level 2: Determine concurrency limits for specific digital channels along with time-to-resolution for various issue types across all channels. Use anticipated customer traffic data (enabled through machine learning & predictive analytics) to adjust WFM activities.

Level 3: Leverage learnings from prior levels to adjust WFM activities across all channels in real-time. As an example, firms in this category can anticipate how change in self-service traffic may impact the number of agents needed to manage live chat interactions, and can use automation capabilities to adjust agent schedules to address anticipated demand based on most recent business activity levels.

capabilities illustrated in Table 1 below as part of the criteria (see sidebar on page 2 for full definition). The table illustrates that compared to digital-savvy firms, traditional WFM users fall far behind in adoption of these capabilities.

Table 1: AI Enables Digital-Savvy WFM Programs

Technology Adoption Rate (n=307)	Digital-Savvy WFM Users	Traditional WFM Users
Predictive analytics *(tools to predict customer traffic, agent churn, etc.)*	100%	63%
Automated agent scheduling	100%	21%
Machine learning *(technology applications that learn by themselves by analyzing a pattern of historical and recent data)*	100%	23%

Source: Aberdeen, July 2021

As depicted in the above table, some traditional firms are already using AI capabilities. However, they're not using *all* of the above capabilities needed to build a truly effective & agile WFM program capable of adapting to changing customer demand across all channels in (almost) real-time. For example, while all digital-savvy WFM users currently use predictive analytics to predict traffic across different channels, forecast potential agent churn, and other initiatives to address demand, only 63% of traditional firms use it. Adoption of automation and machine learning across digital-savvy firms stands at 100% while it drops to 21% and 23% respectively for traditional WFM users.

The above findings mean that while some traditional WFM users may use predictive analytics to forecast customer traffic across different channels, not all of them use the resulting insights to automatically schedule agents to address this forecasted demand. As such, traditional WFM users should follow the lead of their digital-savvy counterparts by strengthening their adoption and use of AI capabilities to match the success of their peers.

3 Key Activities to Build & Nurture a Digital-Savvy WFM Program

1. *Leverage Data to Better Predict & Address Future Traffic*

Aberdeen's *Contact Center Executive's Agenda* research shows that **one out of two contact centers today are using at least nine channels (e.g. phone, email, live chat, web, and others) to serve customers**. This means that contact center leaders must manage a more complex operating environment than the days of the call center when phone was often the only interaction channel.

In this new, increasingly-digital world, firms must now account for a myriad of factors impacting customer journeys, including fragments of journeys covering different

Modern Workforce Programs Are Driven by Customer-Centricity

Participants to Aberdeen's *Contact Center Executive's Agenda* survey were asked to share the top goals driving their WFM activities. Their top goals were:

-Improve response time to customer needs: **52%**

-Improve agent productivity and utilization: **43%**

-Improve quality of customer interactions: **42%**

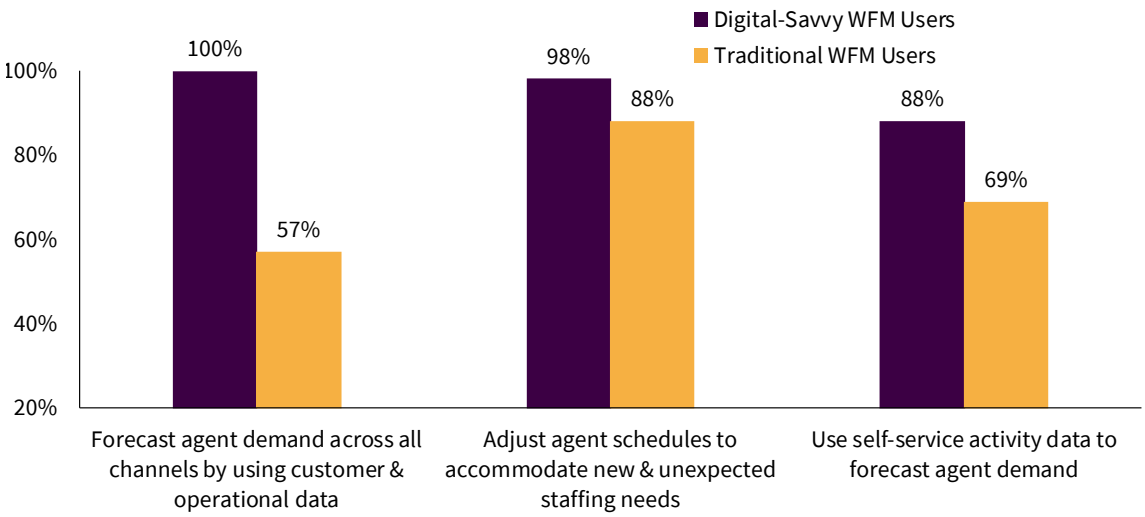
-Reduce customer care costs: **22%**

-Improve agent experiences: **21%**

The above findings validate that WFM programs have come a long way from solely focusing on efficiency. Rather, firms aim to balance efficiency with CX improvements – signaling that WFM is now seen as a CX-enabler.

channels, and how use of one channel may influence traffic across other channels. This analysis can get very complex very fast in the absence of heavy-duty analytical tools and machine learning algorithms designed to analyze and recognize such patterns. Figure 4 shows that digital-savvy firms using AI capabilities are indeed far ahead of their traditional counterparts in using data to better predict and address future traffic. Specifically, the data shows that they are 75% more likely to be able to forecast agent demand across all channels (100% vs. 57%). To do so, firms must ensure a truly connected view of all customer and operational data for greater data accuracy. Indeed, Figure 4 shows that digital-savvy firms have a more holistic approach to planning and executing their WFM activities across all touch-points with being 28% more likely to use self-service data to forecast traffic across agent-assisted channels such as phone and live chat (88% vs. 69%).

Figure 4: Digital-Savvy Firms Leverage Data to Better Predict & Address Future Traffic



Percent of respondents, n=307
Source: Aberdeen, June 2021

50%

of contact centers use at least 9 channels within their CX channel-mix.

Mastering WFM across all these channels requires savvy use of data.

By using capabilities such as automation in combination with machine learning, digital-savvy firms can also more easily recognize trigger events (e.g. hurricane, earthquake, product recall, etc.) that may create sudden and unexpected changes in customer traffic. In turn, their proactive monitoring allows them to address such changes more quickly by using automation to adjust scheduling activities in real-time.

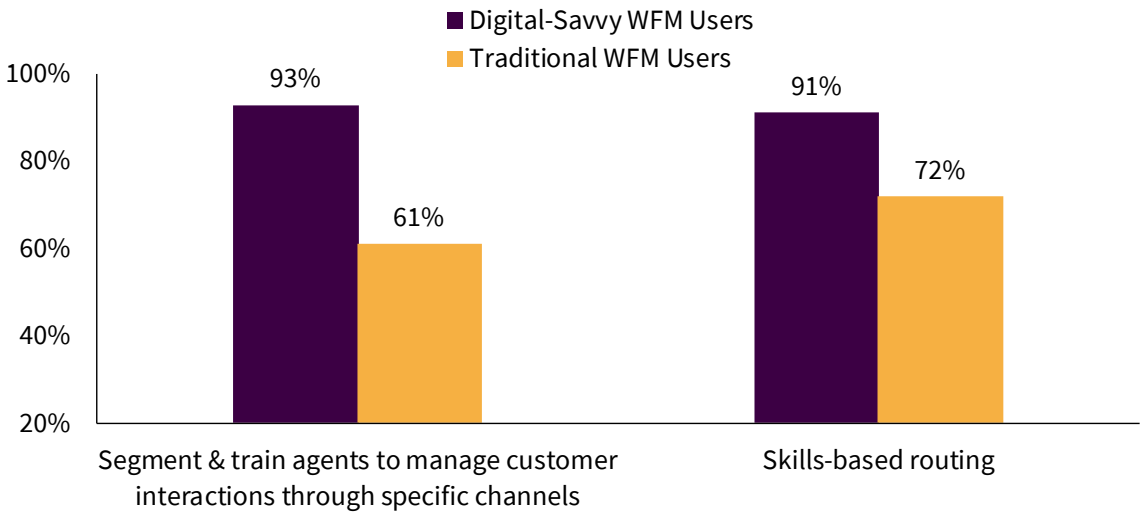
2. Optimize Routing to Deliver Top-Notch Service Across All Channels

Besides keeping up with customer traffic across all channels, digital-savvy firms also excel in their ability to connect the right customer with the right agent through the right channel. Figure 5 shows that they do so by determining agent competency skills and using this information in conjunction with workflow automation when routing contacts – a capability adopted 26% more widely by digital-savvy firms (91% vs. 72%).

Agent skills evolve over time. Firms can detect and document them through skills assessment during hiring and onboarding activities as well as using employee training

and coaching information to augment employee skills over time. Furthermore, personality tests can help firms detect agent personality types and further refine customer routing to 'match' customers with agents whose personality type may be the most appropriate to serve the client based on existing customer and operational data. Considering customer needs and behavior changes over time, use of machine learning helps automate the analysis of which personality types are most closely related to continuously fine-tune routing activities for digital-savvy WFM users.

Figure 5: Adapt Your Routing Activities for the Needs of the Digital Era



Percent of respondents, n=307
Source: Aberdeen, June 2021

While customers may use a diverse set of channels to seek support, not every agent is best capable in using all channels to address all client needs. Similar to agent knowledge about products / services, the ability to use a specific channel is also a distinct capability. For example, while some employees may excel in multitasking and can handle multiple chat sessions at once, they may struggle with more emotionally-charged conversations over the phone.

On the contrary, some agents may excel in phone listening skills and may be empathetic over the phone while struggling using chat and text messaging capabilities to serve clients. Recognizing these employee skills and using it as part of routing activities is immensely important to deliver top-notch service across all channels. For that, Figure 5 shows that digital-savvy firms are 52% more likely to segment and train their agents to manage conversations across specific channels (93% vs. 61%).

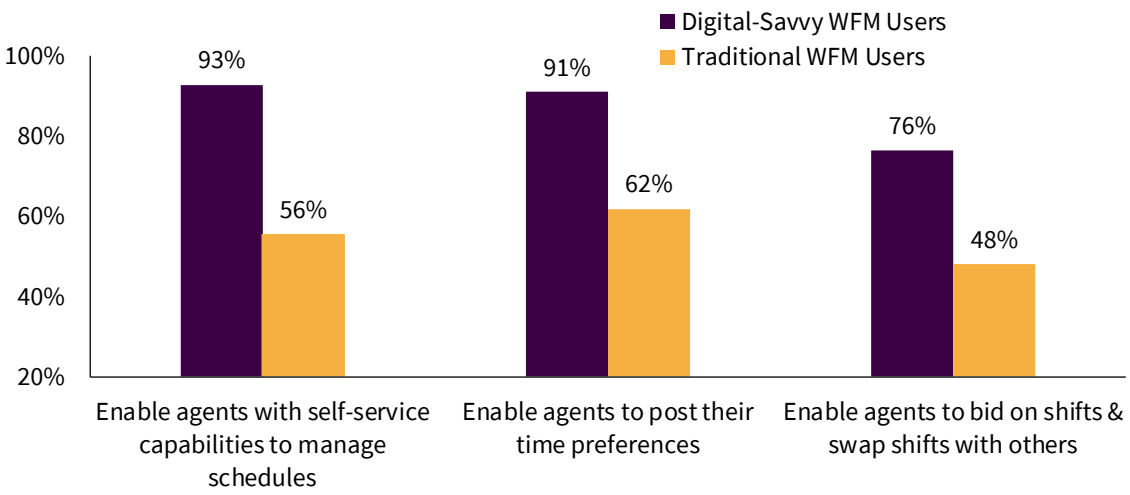
3. Streamline the Employee WFM Experience

Besides ensuring agent availability and routing optimization, the third key pillar digital-savvy WFM users implement is agent empowerment. This is particularly important with the 'future of work' in the contact center evolving to become more hybrid where agents can work in an office during certain days and times and outside an office during others. Meanwhile, with growing employee demand to integrate work and life

necessities employees are also employers providing them the flexibility to achieve such work and life integration.

Figure 6 shows that digital-savvy WFM users really understand this emerging dynamic and use AI capabilities to address the evolving expectations of their workforce. Data shows that they are 47% more likely to enable agents with the ability to post their time preferences (91% vs. 62%) and 58% more likely to enable bidding on and swapping shifts (76% vs. 48%). After agents select their time preferences, the machine learning algorithms can observe all the known factors influencing potential future traffic across all channels, predictive analytics uses existing data to forecast the specific traffic (demand) levels, and automation enables automatically scheduling the right number of agents to address demand across all the interaction channels. When agents bid on shifts or swap shifts, use of automation allows rapidly modifying agent schedules to allow agents to work during preferred hours while also ensuring that the company consistently meets client expectations.

Figure 6: Empower Agents to Better Address Customer Demand Across All Channels



Percent of respondents, n=307
Source: Aberdeen, June 2021

Providing agents the ability to post their time preferences and bid or swap shifts through their mobile devices is another convenience digital-savvy firms provide their employees. They also enable their agents with self-service capabilities such that agents can request time-off, split shifts, etc. through a self-service application, instead of filling a form, sending it to a supervisor, and seeking approval. This process enables the use of automation capabilities so when an employee seeks to schedule time-off for example, this request automatically goes to a supervisor who can view agent availability for the requested days to ensure the firm can continue addressing client demand while providing the agents with the requested time-off. Such streamlining of internal WFM activities enhances the employee experiences and increases the likelihood of firms retaining their top-performing agents – hence lowering agent churn which is typically higher in the contact center.

Key Takeaways

Aberdeen's research shows that **all contact centers are now using digital channels in combination with phone** to deliver service. As such, digital has gone from a trend contact center leaders monitor to a standard way of doing business. The use of digital channels such as text messaging, chat, and email are fueled by consumer preferences for using these channels. As companies aim to keep-up with changing buyer communication preferences, they aim to ramp up their use of emerging channels and find ways to optimize use of existing ones. This is where modernizing traditional WFM programs into digital-savvy WFM becomes crucial.

Traditional methods to managing WFM activities such as forecasting and scheduling struggle keeping up with the complexities of channel switch as well as the changing nature of work in the contact center with more agents demanding greater control and flexibility over their schedules. Furthermore, contact centers that fail to understand the nuances of digital interactions and adjust their WFM activities accordingly risk overstaffing and understaffing, frustrating clients due to lenghty wait times and incur additonal labor costs.

The use of AI capabilities such as machine learning, predictive analytics, and automation enable contact centers to more effectively use the customer and operational data they capture across all channels to seamlessly manage WFM activities. In fact, Aberdeen's research shows that digital-savvy WFM users far exceed traditional WFM users in their adoption of these capabilities. Data also shows that companies use three key building blocks to succeed in their journey of building a top-notch digital-savvy WFM program:

1. *Leverage Data to Better Predict & Address Future Traffic*
2. *Optimize Routing Across to Deliver Top-Notch Service Across All Channels*
3. *Streamline the Employee WFM Experience*

If you still manage your WFM activities in a traditional way we highly recommend you to consider incorporating AI capabilities and the three building blocks above to transform your activities to keep-up with evolving buyer expectations. Doing so will help align your performance with that of digital-savvy WFM users, and will maximize your ability to achieve desired performance results.

Related Research

Intelligent Recording: Maximize Productivity, Ensure Compliance, and Create Happy Customers; May 2021

The ROI of AI in Modern CX Programs: Happy Customers, Service Excellence, and Financial Success; October 2020

The ROI of Real-TIme Agent Guidance: How AI Helps Align Agent Performance with Customer Experience; *August 2020*

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