Case Study: Meet the Four Metrics That Matter in Today's SMART Contact Center

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Sophisticated ACD systems have put a wealth of highly sophisticated metrics at contact center managers' fingertips, but analyzing and understanding the data can be a challenging full time job. Using detailed charts and analytics drawn from its proprietary databases, the Advisors **Plus** Contact Center Consulting team shares its insights into the good, the bad—and the truly confusing and unnecessary—behind several popular metrics and discusses how taking a "SMART" approach that integrates **S**cience, **M**etrics and the **A**rt of management will yield the most service-oriented approach.

As a contact center manager you know that there are literally hundreds of ways to slice and dice the metrics extracted from your ACD system, but with the increasing sophistication of today's phone systems, deciding how best to use those metrics brings a host of unforseen challenges. If you've taken any kind of deep dive into call analytics, you know firsthand that giving such complex data its due can easily become a full time job. Specifically, two challenges confront you:

1. Which metrics to use and how to apply them to provide the most accurate picture of your contact center's effectiveness.

2. How to ensure that your senior management thoroughly understands the metrics you use and will view them in the proper context when they measure your contact center's performance.

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In short, how should you use metrics to win the battle without losing the war? The answer is what Advisors Plus calls "SMART" Metric Management.

"SMART" Metrics Combine Science and Art

Our Advisors **Plus** Contact Center Consulting team has lost count of how many credit unions were dealing with these important challenges by relying on "averages" or "industry standards" to gauge their contact center and manager metrics before we began to work with them on optimizing their performance.

Putting Metrics in Context: At Advisors **Plus** we believe that contact center metrics are most valuable when they go beyond means or benchmarks to view data within the total context of the objectives that your credit union is trying to achieve.

Given that perspective, any contact center management that helps a credit union accomplish its overall objectives is smart management, and any metrics that help a contact center accomplish its mission are smart metrics. So why the need for capital letters?

We talk about SMART metric management because although no consultants are more data-driven than our team at Advisors **Plus**, our work is guided by the overall philosophy that successful contact center management is both a Science and an Art.

- **The Science:** The "science" side of our practice emphasizes the metrics, and how they can be used to improve operations, pinpoint current or future issues and provide an overall scorecard on performance. Helping you understand which key metrics drive your contact center will provide you with both the insights to avoid problems and the levers to improve your contact center's performance.
- **The Art:** The "art" of contact center optimization factors in the soft skills like employee engagement, day-to-day training, encouragement and guidance that are the keys to a well-run contact center. These aspects may be harder to measure but that doesn't make them any less vital: Engaged employees are critical to having a contact center that is member-focused by striving to provide excellent service every day.
- **Science + Metrics + Art = SMART:** So combine the analytical mindset of Science with the data of Metrics and the soft skills of management as an ART and you have all the necessary ingredients to become a successful SMART contact center.

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But even as a SMART contact center manager—armed with a memorable acronym, no less—the question remains: **How do you measure the *right* metrics to obtain the *right* insights to make the *right* decisions?**

Which Metrics Matter?

In our consulting practice at Advisors **Plus**, we conduct Contact Center Reviews for many dozens of credit union clients each year and maintain a comprehensive database of over 150 data points from the credit unions we have worked with.

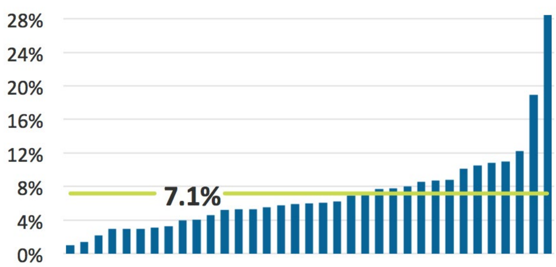
It is a unique industry resource and we have used it here to evaluate five key metrics—1) Abandon Rate, 2) Average Handle and 3) Talk Times, 4) Average Speed to Answer, and 5) Monthly Calls per Agent FTE based on our assessment of their SMART (Science + Art) contribution to managing a contact center. To do that we began by asking these questions:

- For each metric, what does the science of the data say about how other credit unions are performing in absolute and relative terms?
- What value does each metric seem to hold for the art of management decision making?

We believe this approach is uniquely valuable because it puts all of the metrics on an equal footing and allows for an "apples to apples" comparison that highlights which metrics really matter and which could actually be distracting you from your overall mission of providing great service.

1. Abandon Rate—Credit Union Average: 7.1%

Figure 1
Abandon Rate



Abandon rate is probably the most common yet least valuable metric used in contact centers today. It's almost universal use is mainly due to its ease of understanding. Most credit unions report on abandon rate and often it's the only reporting metric they use.

The issue arises because abandon rate alone provides little guidance to indicate whether a problem really exists and if so, how to fix it. That's because abandon rates are basically all or nothing grades. Abandon rates tell you whether your contact center passed or failed on any given day but not by how much, with whom or for what reasons.

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In our consulting work at Advisors **Plus**, we much prefer establishing service levels based on sound Erlang calculations. Then, by using formula-based metrics, analyses can isolate specific intervals or situations that may be unduly influencing consistent service delivery.

Managing Abandon Rates: As Figure 1 shows, most credit unions Advisors **Plus** has reviewed are managing their overall abandon rates quite successfully. Those that fell above the average found themselves there mainly because they had experienced turnover or system issues that created obstacles to answering calls in a timely manner.

Mobile Abandon Rates: If we tended to take abandon rates with a grain of salt before, today's rapidly changing mobile environment has changed the way we view them even further. We now recommend that contact centers discount phone calls abandoned within a specific duration from their overall data in order to provide a clearer representation of actual service impacts. Our rationale is that with members so quick to hang up if not directly connected in a short period of time, it behooves management not to "chase" abandoned calls over which they have little or no control—which we define as those that abandon within 20-30 seconds of entering the ACD.

2. Average Handle & Talk Times—Credit Union Averages: 4:19 & 3:42 Minutes

Figure 2
Handle Time Times

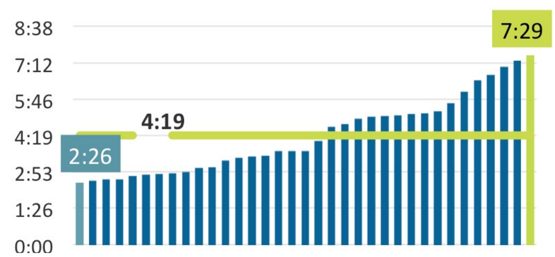
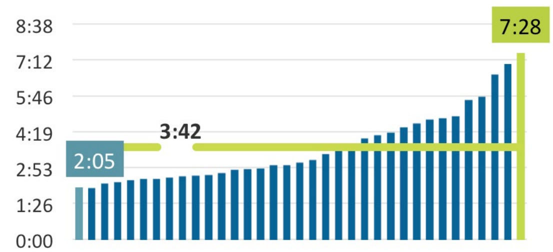


Figure 3
Talk Times



The key productivity driver in any contact center is Handle Time and/or Talk Time. Handle time encompasses all components of the member interaction including actual talk and hold times, as well as after-call work (ACW). Within our reviews we see this metric vary widely depending on the functions performed in the contact center.

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Factors That Influence Handle Time Times: Approximately 60% of the credit unions we have visited have their contact centers performing some or all loan application functions.

- Most commonly agents only take the app, which is then directed to a centralized underwriting area.
- At credit unions where agents are responsible for the full app and doc workup, after-call work will extend handle times, sometimes taking longer than the actual call talk time.

Yet, while it would seem logical that centers taking loans would have much longer average talk times, we have found that not to be the case. **On average, centers taking loans have average talk times that are only 20-30 seconds longer than those not taking loans.** Because loan calls are only a small percentage of overall call volume, the longer calls blend into the overall totals and end up raising the average call times only minimally.

Managing for Higher Productivity: Effective managers will pay close attention to handle times to guide their departments toward attaining higher productivity levels. Managers need to pay special attention to after-call work, monitoring it closely and searching for ways to automate processes or reassign post-call duties to non-phone staff.

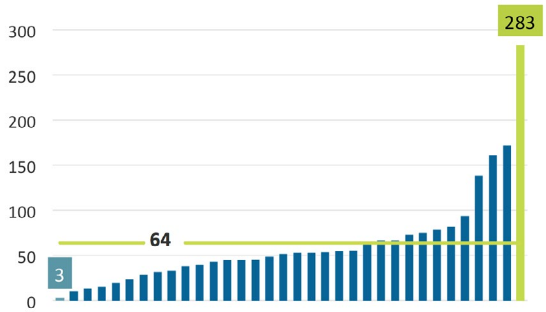
Goal Setting Can Backfire: Managers need to take care in how they use handle time metrics to evaluate staff and set goals however, because goal setting can quickly backfire. When handle time goals are set at the agent level in such a way that agents are held accountable for maintaining specific times, that action almost always leads to to unintended consequences—most of them negative.

That's because if you give your agents a handle time goal they will find a way to meet it. But be prepared to cringe when you realize the shortcuts they are taking to make that happen: speeding through calls, ignoring cross-sell opportunities and even hanging up on members in their zeal to make their time targets.

The Preferred Approach: The preferred approach is for managers to have an overall baseline goal for handle times and use deviations from the norm to identify agents who may need added training or guidance in effectively answering calls.

3. Average Speed To Answer— Credit Union Average: 64 Seconds

Figure 4
Average Speed to Answer



Another standard contact center metric, Average Speed to Answer (ASA) or Wait Time, provides managers with a quick reference regarding their contact center's operating status. Longer times or spikes will usually indicate heavy call loads, whereas short durations indicate a lull in call volume.

Averaging ASAs over a week or month will provide a fairly accurate picture of service delivery and for that reason, we prefer **ASA over Abandon Rate as a more accurate baseline metric.**

Staffing Using Handle Time/ASA Relationships: Handle times and ASAs usually run in corresponding patterns. Short handle times generally create quicker ASAs as agents move rapidly from one call to the next. **However, minimal ASAs can also point to overstaffing situations, so understanding the underlying call dynamics is a critical component to making comprehensive staffing decisions.**

For example, much was made in the press last year about an article claiming that banks had quicker ASAs than credit unions— and by extension, that banks provided better service. Advisors **Plus** went on record then[1] and we continue to believe, that surveying this one metric in an unscientific manner and extrapolating it in such a broad way was ill-informed and failed to take into account the many factors that can influence caller satisfaction.

Consistency is Key: There is no doubt that Speed to Answer is a critical metric that every contact center manager should be very familiar with and monitor closely. However, we believe keeping ASA consistent over time is more important than worrying about its absolute duration. Through our field research we have learned that members build certain expectations about the hold times they will experience and will accept those times as long as any given call doesn't deviate too greatly from their internalized "norm," leaving them hanging for too prolonged a period of time.

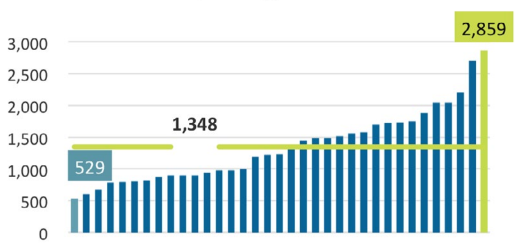
1. Frank A. Kovach, "Mission Impossible: Will Your Contact Center Accept?" CU Insight 10 Sept. 2013 <http://www.cuinsight.com/mission-impossible-will-your-contact-center-accept.html>

4. Monthly Calls Per Agent FTE— Credit Union Average: 1,348 Calls

Similar to handle times, knowing how many calls, on average, your agents handle monthly helps in managing your contact center's overall performance. As Figure 5 shows, the contact centers we have reviewed have experienced a wide swing in this metric.

Factors that Influence Agent Productivity: The main factor that influences these divergent call volumes is if, whether—and to what extent—a contact center's agents are involved in the loan process. Call productivity dramatically drops when agents are responsible not only for taking the app but also for processing documentation, scheduling closing appointments, etc. Figure 5 tells the tale graphically:

Figure 5
Calls per Agent FTE



- The performers at the low end of the range all have agents who are fully involved in all aspects of booking a new loan, not just taking the application.
- By contrast, at the top end the contact centers shown function in more of a switchboard capacity, where many calls are transferred to branches or other internal areas.
- The highest volume center shown actually does not have an ACD. Its agents front every call and transfer as needed to handle each caller's request.

The Secret to Success—Shifting the Non-call Burden: Overall, the centers which range from above the average up to approximately 2,000 calls all have one thing in common: They do an excellent job of controlling after-call work to ensure that it does not interfere with answering the next call. As we review contact centers, we always focus on how much non-call work is performed and if warranted, **how to shift that away from the agent, either to dedicated clerical staff or to a specific loan processing unit.**

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Implementing Your Own SMART Metrics Tracking Program

In implementing, adding to or fine-tuning a metrics program for your contact center, it is important to remember that metrics track work flows rather than determining them. In other words, metrics can identify patterns and trends in what you are already doing and show you what is working and what you might need to change, but metrics are not actions in and of themselves.

Successfully linking a responsive metrics tracking program to variations in your daily contact center work flows and taking a SMART approach to knowing which metrics to focus on and which ones to ignore will be key to giving you the kind of robust feedback necessary to consistently deliver high levels of service to your members.

About Advisors **Plus** Consulting Services Contact Center Consulting

Advisors **Plus** Consulting Services Contact Center Consulting provides in-depth reviews of your credit union's contact center and uses state-of-the art analytics and management techniques to help you optimize its performance.

Using a best practices methodology and a proprietary database of benchmarks, Advisors **Plus** offers a process that is 100% credit union-centric. Each engagement is tailored to meet the needs and goals of your credit union including a series of meetings with the senior management team.

Services include:

- Call Center Start Up
- Mystery Shopping
- Balanced Scorecards & Incentive Plans
- Staffing & Outsourcing Analysis
- Key Metric Benchmarking
- Organizational Structure & Workflow Optimization
- ACD Routing & Scripting
- Employee Engagement
- Positional Job Descriptions

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About Advisors **Plus**

Advisors **Plus** serves as the consulting arm of PSCU, helping credit unions to meet their financial and business challenges and grow. The team provides practical, data-driven expertise in the areas of business strategy, credit cards, debit and checking, marketing growth campaigns, digital and branch channel engagement, and contact center and operations optimization.

With over 250 years of combined experience, Advisors **Plus** consultants partner with credit union management to provide actionable solutions for sustainable business growth, exceptional member experiences and measurable operational efficiencies. For more information, visit **AdvisorsPlus.com.**

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