



Let the Front Line Drive the Bottom Line - Unlock the Potential of your Call Centre

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How can you turn your front line contact management operations into a more positive experience for your customers and an asset for your business and your brand?

What's the Insight?

Many companies regard their call centres as little more than unavoidable expense; a necessary evil. Kept at arm's length from the rest of the business, they operate almost as an independent entity.

Experience shows this approach to be short-sighted. It risks squandering valuable opportunities to add real value to customer relationships. A well managed, properly integrated call centre can become a core business asset – a powerful tool for improving customers' experience of the brand and driving measurable improvements in market share and loyalty.

Overview

Misconceptions around the value and potential of call centres can significantly reduce their contribution to a business. Companies which operate a call centre as a stand-alone entity, assessed using performance measures that reflect only telephone handling skills and telecoms systems, actually impede their ability to improve overall business performance.

Indeed, this isolationist approach can actively damage the business. For example, customers who find that agents are consistently unable to resolve an issue at the first attempt, because typically they have to work in an organisational vacuum, are likely to go elsewhere.

How can the situation be improved?

To treat the call centre as part of the core business offer means implementing consistent customer experience metrics across the organisation. It involves going far beyond an exclusive focus on the specifics of call handling times and other pure process issues. The call centre is brought into the fold of customer experience touchpoints. It is given equal weight with other key, and expensive, elements of the CRM process.

This holistic approach enables a better customer experience. And it offers the further benefit of creating a clear line of sight along the entire value chain. The call centre serves as the 'eyes and ears' of the business, perfectly positioned to gather valuable intelligence on customer issues and market needs. Recurrent 'upstream' failures can be identified, and then resolved, on the basis of input from the customer interface.

Hold the line...

Traditionally, call centre performance improvements focus either on systems or processes. In reality, the roots of good or even acceptable performance lie in the effectiveness of the agents taking the calls, and the insights of their managers. Of course, well-designed physical infrastructure will make it easier for them to do their jobs better. But systems work only if they are properly understood by their users, and intelligently connected to the rest of the business. How can these connections be achieved?

A useful first step is thorough analysis, looking not only the call centre and its staff, but also at those parts of the business to which it needs connectivity, in order to maximise its full potential.

Good analysis identifies and then enables implementation of the optimum systems and process-related changes. Here, 'optimum' is defined as more effective management of the two key parameters of enhanced contribution to the business: **variability** and **volatility**.

Variability can stem from a lack of standard operations, incoming quality failure, lack of system capability, or varying skills levels. If the processing time for identical jobs shows a wide range of variation, then there is a high degree of variability in the operation. There is a range of techniques available to analyse, understand and address the root causes of variability. Experience shows one of the most productive routes can be to identify and work towards "one best way" to do the job in question – improving business performance by reducing the waste caused by variability.

Volatility results from significant variations in incoming demand levels. Managing volatility in the call centre often starts with a broader view of the business – taking into account factors like month-end processes or the launch of a new product. In call centres which are not staffed 24/7, a proactive approach to customer management could involve changing the voice message at the start of a call to reflect recent developments, or directing customers to the company website, regularly and suitably updated to deal with the issues that triggered the call volumes.

A common pitfall in efforts to master these two key parameters is to confuse variability with variety. The overall goal is to have sufficient product and service variety to meet customer demand, while minimising levels of variability through excellent standardisation. "One best way" processes not only reduce variability in the way the rest of the business responds to call centre input on customer needs; they also free up agents' time and talents to deal effectively with the variety of calls they receive. Optimising variety while reducing variability enables you to balance the needs of the system with ongoing process improvement.

Crossed wires

Best practice call centre management is not exclusively about handling calls as quickly as possible. Customers are unlikely to remember how fast the phone was answered if their issue doesn't get dealt with properly first time. And their patience will start to wear thin if follow-up attempts are no more successful, even if getting through to unsatisfactory support is, in itself, fairly quick.

In fact, fast response times alone often fail to address poor customer satisfaction as captured in survey results. Ironically, while still not achieving customer satisfaction, the extra demands created by a pure speed of response focus can result in overstaffing at off-peak times.

Conversely, the drive to cut call centre staff levels and costs leads some companies to outsource an operation with potential to create genuine value. In reality, this strategy is based on a flawed premise. Many of the costs attributed to the call centre have their roots in system failures elsewhere in the business. It is axiomatic that you can't outsource a problem, only a solution. So unless the real sources of cost-creating failures are identified, outsourcing customer contact is more likely to breed new difficulties than to resolve old ones.

And whether offshore entirely or 'relegated' within the onshore business, the idea that the call centre (and customer service generally) should be isolated from "productive" functions means that many companies miss out. The call centre is neither configured nor integrated to have touchpoints with other key business areas, including Marketing, R&D, Strategy and Planning. All these areas can benefit enormously by leveraging the full value of the call centre's "front-line" customer intelligence.

An essential part of bringing the call centre function into the mainstream of the business is recognition that life is rarely as simple as it appears on paper. "Our processes are fairly straightforward" is a commonly and genuinely held senior management perception. On close analysis, it often proves to bear little or no resemblance to the day-to-day reality experienced by call centre staff. The latter are in fact struggling to connect with the rest of the business, in order to try to deliver customer issue resolution and improve satisfaction.

Fundamental misconceptions and misunderstandings make it difficult for an organisationally isolated call centre to function at even a basic level of competence, let alone add value. In contrast, companies which have integrated contact management into their mainstream business strategy and operations are likely to assume stronger and more sustainable leadership positions.

What's the solution?

Not surprisingly perhaps, the traditional systems or process-based approach to problems has tended to produce either systems or process-focused 'solutions'.

Focus on systems

These are critical, clearly. But, dealt with in isolation, they can only achieve so much. Call handling systems alone can fail to deal with the large amount of back-office processing (that should be) connected to call centre activity. Good back office process should make information available in parallel with the customer conversation, so that a quality resolution can be arrived at first time.

Focus on processes

This is a broader based approach. The organisation is seen as a whole, with the call centre at the front end, feeding into the operational structure. That's the theory. In practice, while such a holistic view is better suited to the delivery of value across the business, it tends to be very tool-based.

Successful experience shows that a combination of approaches, tailored to the needs of a specific organisation, its business and its markets, delivers the best outcome in terms of improving overall business performance. And while creating the best blend of systems and processes, you cannot leave out the paramount contribution made by **people**.

'Call management' does not equal 'Performance management'

Understanding the reality of how your organisation works, from the bottom up, will help to prioritise action areas and provide a framework for behavioural change. People working more positively, enabled by better systems and processes, will drive sustainable improvements in performance.

Without doubt, a systemic approach is called for. Devising and implementing a customised management system will provide a major step forward. This takes into account the call centre's role within the bigger organisational picture. And it is built on consistent Key Performance Indicators – KPIs. These provide management visibility of call centre performance in a joined-up operational context.

Improved performance – getting started

Initial analysis should be careful to take into account all five of the fundamental performance levers of any operational activity: people, processes, systems, environment, and metrics – as well as the ways in which they interact.

People

During the analysis phase, talk to individual agents as well as key management figures. Then build a complete picture of the call centre operation.

There are six factors – often interrelated – which have proved to impede effective performance.

1. The “box-ticking” mentality. Call centre workers often focus on their KPIs, to the detriment of just about everything else. A rigid approach to response times, resolution times and other pure “box ticks” leaves no quality time to deal with recurring problems, to segment them, and to understand their root cause. Yet such problems often stem from underlying operational/ organisational issues. Fixing these issues can predictably reduce inbound call volume and increase call time spent resolving issues fully.
2. The “smaller picture”. In the absence of a management approach, metrics, and day-to-day coaching that acknowledge their contribution to the business, call centre staff often have little motivation to do the best job they can. This leads to high staff attrition and to increasing costs to retain the best talent.
3. Overload. Staff are tasked with more and more while no thought is given to key areas such as pre-filtering incoming queries, or embedding the different skills required to deal with (for example) repeat callers and first-time callers. Staff who are asked to work harder without being helped to “work smarter” simply find themselves overwhelmed, and are more likely to drop the customer service ball. Work becomes unrewarded and unrewarding and they leave.
4. Lack of clear paths of referral. If agents can’t resolve an issue themselves, they need to know where to turn for effective assistance. If they don’t know what to do, patience frays, time and money are wasted and customer loyalty is exhausted.
5. “Hello again”. Not enough effort is made to understand the nagging underlying issues which generate repeat callers. A deeper and more systemic understanding is needed. This equips call centre management with the insights needed to provide one-touch fixes – reducing agent workload and stress, and increasing customer satisfaction and loyalty.
6. Considerable extra capacity can be accessed – without increasing headcount - by making better use of existing technology, and by employing smarter technology to do more, faster.

Processes and systems

A call centre's processes and systems should not dictate how it operates. Their function should rather be threefold:

1. Enabling agents and their managers to understand clearly what they are expected to achieve
2. Helping agents and managers to understand customer needs
3. Giving them the information and capacity to meet those needs, while adding as much value to the business as possible.

Yet many call centres have systems and processes designed and installed without the benefit of prior analysis of the business's requirements. It is not hard therefore to see why so few of them realise their full customer service potential.

Managers need to have both technical and people and process management experience. Often, they tend to have one or the other. If they lack management skills, they will find it difficult to provide effective leadership for agents and to facilitate critical connectivity with the rest of the business. If they have people management expertise but an inadequate appreciation of how the work their team is doing fits into the business operationally, they face different, but equally serious, barriers to getting the best out of their staff.

Environments

In the ideal situation, agents see themselves as part of an end-to-end process. A key element of the initial analysis should be an investigation of the current culture within the call centre. Do agents think their job is solely to (attempt to) fix customers' problems? Or do they see their role in more proactive terms, within the overall context of the business? Put another way, are they there to get customers answers as thoroughly as possible, or to get rid of them as quickly as they can?

To answer these questions effectively, extend the analysis beyond the call centre. Look at how the rest of the business is performing. Making changes in the call centre alone, and in isolation, will result in wasted time and resources.

Metrics

An impartial assessment of current measurement is vitally important.

Yes, cost is an important consideration. Measures such as average handling time offer a critical indication of how well agents are trained in their products (hardware, services, tariffs, etc.). They enable management to gauge the efficiency of the operation. But, all too often, pure focus on call handling times constrains ability to deliver the kind of service that is truly valued by customers.

Ironically, agents have no incentive to supply callers with the answer they need on the spot, or to call them back: both these operations would actually drive up call handling time and distort the efficiency data. So 'good' intentions lead to 'bad' outcomes as measured currently. There is little or no inbuilt opportunity to change the end customer's view of the organisation.

Agents lack the thinking time they need to introduce cross-selling or up-selling into the conversation. And to be successful, these need more than a formulaic passing reference "do you want to buy life assurance while you're on the phone about a missed standing order"? Developing the sales process must be carried out in thoughtful ways, ways that are both relevant and sensitive to the customer's real needs.

Distortions can also be created by measuring "abandonment rate". Yes, this certainly gives valuable insight into optimum staffing levels. But it is of limited use in operational isolation. It must be linked into the organisation's operational forecasts, including integrated campaign planning.

Abandonment rate will rocket if staffing provision is not closely integrated with 'unusual events'. These will include high profile sales campaigns and special offers, or scenarios such as unplanned or even scheduled service discontinuity. People phone up in greater numbers in both unusually good and bad times; they want to take advantage of a good deal, or they want to know when the electricity will come back on.

Any suite of metrics needs to be geared towards a shared goal – one-touch, first-time resolution. This is the prime indicator of agent capability and of how well systems and processes are performing. Better, more finely-tuned metrics (such as call maturity, or reduction of failure demand calls) will improve the call centre's contribution to the business. This is because the information they yield is more closely aligned both to what is actually happening in the business, and to what management want to happen.

Raising the bar

A thorough, multi-dimensional diagnostic approach uncovers opportunities for performance improvement in any or all of the five key areas:

Performance lever	Where improvement opportunity may lie
People	Capabilities; behaviours; coaching
Processes	Lean; Six Sigma
Systems	Management system to build in sustainability of change; organisational effectiveness
Environment	Staffing; shift hours; facilities
Metrics	Abandonment; maturity; failure demand

Helped by these insights, and working closely with call centre agents, you can develop a programme of performance actions and a set of KPIs which actively enable delivery of a good customer experience. It is also very helpful to establish how best to use the KPIs in practical situations, so that they are at the forefront of every agent's thinking, every day, for every call.

Coaching alone is not a cure-all

One company spent significant effort on coaching agents in how to handle calls, so that each one was matured and did not need a second touch. Yet 60% of calls received were failure demand – the customer had made a mistake in dealing with the technology, or was not called back when promised.

The issue the organisation had overlooked was that its agents had to work around some 17 host systems, with non-user-friendly navigation. So promises to call back were not followed through, because agents were under growing pressure due to escalating numbers of customer calls.

An effective answer lay in identifying the back-office processes which were preventing first-touch fixes. These processes were simplified. A third-party software supplier then embedded the changes into the systems. As a result, agents were able to have more constructive conversations with customers. Freeing up the agents in this way helped to produce cost savings of about 5% in tandem with improving the customer experience.

No silver bullets, just sustainable results

Without doubt, “multidimensional thinking” raises the bar on call centre performance. Identifying and addressing the real issues and failure points, either within the call centre or in the way it connects to the rest of the business, offers the most direct route to sustainable and measurable improvement in business value.

The call centre can then legitimately be regarded not as an unavoidable business cost, but as an effective tool to reduce churn and enhance the customer experience, while yielding valuable opportunities to create genuine loyalty and to cross-sell and sell up.

Customers want, indeed they demand the ‘human touch’. Your agents are people and they have the innate capability to provide a personal and differentiated service. Don’t let isolation and lack of access to key information turn your agents into (sub-standard) machines. With the right approach, the front line can indeed drive the bottom line.



About the Author

Owen Williams, Senior Vice-President, Infrastructure Services Sector

For the past seven years, Owen has held the position of Senior Vice President of Celerant Consulting's Infrastructure Services Sector in the UK, where he is focused on developing Celerant's presence – and building lasting relationships - with clients across the Telecommunications, Transportation and Utilities Sectors.

During his lengthy career with Celerant, Owen has also held a number of roles in our Operations Function, leading consulting teams in the delivery of change programmes for major corporations across a range of industries, including: Automotive, Engineering, FMCG, Telecommunications and Utilities. Each change programme is custom designed to fit the specific needs of the client in question, but stays true to Celerant's unique way of delivering lasting change and measurable value.

Owen holds a BSc in Metallurgy and Microstructural Engineering, and a Diploma in Management Studies. He has also participated in Celerant's Executive Education programme at INSEAD and Stanford.



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Patrick has 15 years professional experience, having held a number of roles in both professional services and in general industry. Having joined Celerant in 2001, Patrick currently has overall responsibility for the delivery of client engagements in the UK. During his time with Celerant, he has led a number of complex engagements across a broad range of industries, including Telecommunications, Utilities, and Financial Services. The majority of the projects Patrick has been involved with have focused on improving levels of Customer Service, while also delivering significant reduction in operating costs.

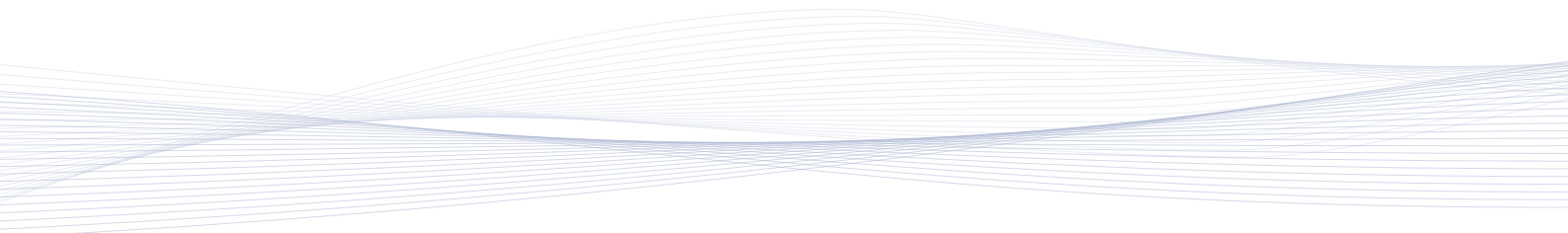
Patrick holds a BSc in Physics, and has a Diploma in Accounting and Finance.



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Paul's 22 years of professional experience has seen him handle a number of roles both in automotive and electronics manufacturing. For almost 10 years Paul has worked in various consulting positions, across a wide range of industries, and in particular as been instrumental in the successful translation of manufacturing techniques into service based industries. Paul joined Celerant in 2007 and in this time has led and delivered a number of significant projects within the telecoms and financial services, including major telecoms service providers, Insurance and Life and Pensions organisations. Paul has worked in telephony environments for nine years and has utilised the latest thinking to improve poorly performing businesses.



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