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▶ OPERATIONS

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for directors, managers,  
analysts and supervisors

# Workforce Optimization: State of the Market

A look at the WFO industry, technology, opportunities and risks.

Call center requirements like scheduling and quality assurance may feel like “old news” when it comes to technology. You probably need to look for more jazzy names like Workforce Optimization (WFO), Performance Management or Performance Optimization to find basic Workforce Management (WFM) or Quality Monitoring (QM) solutions in today’s market. Regardless of the names, the current solutions provide the fundamentals you are looking for and quite a bit more — especially if you think of these performance tools as offering a range of possibilities to optimize your operations.

The WFO marketing messages focus on the value that can be gained from a holistic approach to understanding workforce performance. By using integrated components — the wealth of information in contact records and consolidated data for reporting — you will understand more about your center’s performance. Relating contact statistics with quality scores and business outcomes offers a broader view of call center performance, enabling change that considers strategic implications



across the enterprise. Interestingly, industry analysts are enthusiastically endorsing these solutions and this market transition, adding credibility to the vendors' marketing messages. To this end, major players in the industry offer workforce optimization suites through building, partnering or acquisition.

So that is the hype. Now what is the reality?

As with most other technology solutions in the contact center, taking a holistic approach is not that easy. If you are a small to medium center and just now moving into scheduling and monitoring, what are your options and how do you fight your way through the emphasis on the "suite" to focus on just the components that you need — or can afford? If you are a larger center and already have satisfactory WFM and QM solutions, but are ready to take the next step toward greater optimization, what do you need, in what order, and how do you acquire it?

More importantly, even if you have *all* the components of a workforce optimization suite, how do you get real value from these technology investments? How do you become fully optimized? Workforce optimization requires a commitment of internal resources (and, quite likely, vendor professional services) to integrate and customize, and dive into analytics and interpret reports. To achieve value, there has to be a cross-functional corporate commitment to process change before the company will realize a Return on Investment (ROI). Few companies have the resources (budget or staff) waiting idly for this purpose. It is especially difficult to do it all. We need to understand the options so we can prioritize, plan and do it right.

## ▶ Defining Analytics

- > Start with *raw data*.
- > Organize and present data in *reports*.
- > Reveal insights and meaning of the data through *analytics*, leading to business intelligence and actionable improvements.
- > As a first step in analytics, present "balanced" data from multiple sources as a "scorecard."
- > Then, integrate your optimization suite with the corporate data warehouse and business intelligence application to further balance your center's performance with business outcomes.
- > "Balance" means including, at a minimum:
  - Productivity/efficiency
  - Quality of customer experience
  - Financial (cost, revenue)
  - And, ideally, the employee experience

### TOOLS IN THE WORKFORCE OPTIMIZATION TOOLKIT

The first step in understanding your options is to understand the components of workforce optimization.

#### The Basics

The two basic components that get you started with workforce optimization are WFM for forecasting and scheduling, and QM for quality monitoring and coaching. You might also need a logging application for liability protection. The quality application enables review of the audio and video for a percentage of calls, while the logging application records just the audio for 100 percent of your calls.

Reporting at this basic workforce optimization stage involves ACD reports on call statistics and agent performance, monitored call quality scores, and forecasting accuracy and schedule adherence from your WFM solution.

#### Advanced Tools

When you have appropriate resources, there are several components you can add to your optimiza-

tion solution for enhanced value:

- > Analytics
- > Scorecards/Dashboards
- > Customer Satisfaction Surveys
- > eLearning
- > Speech Analytics

The first step in a transition to workforce optimization is to integrate your WFM and QM with an analytics or scorecard solution. The goal is to "balance" what is measured and monitored and to move from presenting data to analyzing data. (See the sidebar, "Defining Analytics," above.)

Start your move into analytics with an application that effectively creates and delivers reports to your designated audiences. Scorecards are an ideal way to present balanced metrics. These scorecards or dashboards deliver the appropriate key performance indicators (KPI) to wallboards and agents' supervisors' and managers' desktops in a meaningful format with relevant content for the various levels' roles, responsibilities, and accountabilitys.

Quality scores traditionally come from monitored calls. How-

Components	Key Metrics	Processes	Resources
<b>Basic</b>			
• WFM	• Call statistics • Forecasting accuracy • Schedule adherence	• Scheduling • Forecasting • Tracking/reporting	• Workforce Analyst
• QM	• Call quality score	• Monitoring • Coaching	• Quality Monitor • Supervisor
<b>Basic Plus</b>			
• Dashboard/scorecard • Analytics	• Balanced KPI scorecard • Key business outcomes tied to center operations	• More in-depth coaching • Changes to strategy, processes or other operational elements	• Call Center Analyst
<b>Advanced Tools</b>			
• Customer satisfaction surveys	• External customer satisfaction scores (and calibration with internal QM scores)	• Identifying gaps in agent performance based on internal and external quality measures • Trending customer experience results	• QM and/or Call Center Analyst • Coordination with Marketing on customer satisfaction surveys
• eLearning	• Training completion and outcomes	• Pushing targeted training modules to agents at scheduled times	• Coordination with HR on eLearning • Training, QM, Marketing or HR staff
<b>Speech Analytics</b>			
• Speech analytics	• Call categorization • Root-cause analysis	• Crossfunctional analysis and coordination with product development, marketing, etc.	• Analysts in product development and marketing at a minimum • Call Center Analyst
<b>Business Intelligence</b>			
• Integration with corporate database • Business intelligence analytics	• Integrating call statistics, quality scores and business outcomes	• Crossfunctional analysis with all departments	• Analysts throughout organization

ever, you can add technology that incorporates customer satisfaction surveys into the call process. This adds a new metric that combines the internal standard with the highly credible external standard — the customer’s perception.

The next step is to add an eLearning application that uses the quality monitoring outcomes. Now, you can target specific training modules at agents with identified performance gaps. Integration with

the scheduling application enables training module delivery at scheduled times or during low volume periods.

Finally, when resources allow, and when there is a cross-functional defined need, speech analytics can categorize your calls for targeted monitoring and further root cause analysis. The goal of speech analytics is to turn the audio from the calls into data that can be analyzed and even integrated with

other corporate data for deeper understanding of your customers: why they call, what they consider a quality experience, what they say competitors are doing, how your products are meeting their needs, and what other products they are talking about.

**Enterprise Tools**

There is one final step to a total workforce optimization solution —

## ► Sourcing Options

The concept of workforce optimization has caused a “component consolidation” which is causing an industry consolidation through mergers and acquisitions. Most traditional QM and WFM vendors are now WFO/PO vendors. The major vendors offer optimization suites made up of all the components described in the previous table. The one exception is the database consolidation and business intelligence vendors. They are consolidating, but not usually with the call center vendors — yet.

Whether you already have the basic components and are considering moving to the next stage or you are considering your first basic component, you have to sort through the marketing to find the appropriate vendor for the component(s) you are considering. This is where your strategic plan for workforce optimization becomes crucial. The table below provides some key considerations on the various ways to source WFO solutions

Options	Pros	Cons
<b>Component by component (Best of breed)</b>	<ul style="list-style-type: none"> <li>• “Best” functions and features</li> <li>• Allows you to leverage what you have, even if it is a mixed vendor environment</li> </ul>	<ul style="list-style-type: none"> <li>• Complex integration effort (initially, and potentially as you migrate/upgrade)</li> <li>• Integration could inhibit gaining full benefit from “best” functions and features</li> <li>• Difficult to determine as market consolidates — is “best of breed” even a pertinent concept in this industry any more?</li> <li>• Multiple sources of support</li> </ul>
<b>Suite from one vendor</b>	<ul style="list-style-type: none"> <li>• Pre-integration, including potentially unified administration tools</li> <li>• One source of support</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor focus on suite rather than individual components</li> <li>• Source of suite (build, acquire or partner) and maturity of relationship can impact how truly integrated they are</li> <li>• Tough transition plan to justify if you already have a mixed vendor environment</li> </ul>
<b>Bundled with core call center platform/applications</b>	<ul style="list-style-type: none"> <li>• Most completely integrated</li> <li>• One source of support — hopefully</li> </ul>	<ul style="list-style-type: none"> <li>• Difficulty in defining implementation phases</li> <li>• Limited options and features</li> </ul>
<b>Hosted services</b>	<ul style="list-style-type: none"> <li>• Flexibility for phased approach</li> <li>• Pay as you go</li> <li>• Flexibility for trials and pilots to prove value before total roll-out</li> </ul>	<ul style="list-style-type: none"> <li>• Integration difficulty</li> <li>• Potentially standalone applications rather than suites</li> <li>• Limited options and features (some are less mature, robust)</li> <li>• Data security</li> </ul>

when you want, need and can afford it *all*. This final step integrates the call center data (call statistics, quality scores, customer satisfaction, speech analytics, etc.) with the data and analytics applications throughout the enterprise. This complete data integration can be

displayed and manipulated using an enterprise business intelligence application for valuable insights. The overall goal is the most complete and accurate understanding of your business — your customers’ perception of your company, your products and services, and

every interaction with your company.

### ACHIEVING VALUE

While the value of having a thorough understanding of your customer is obvious, the reality of the value you can receive from a work-

force optimization solution is often difficult. It all sounds good — and it is good. However, that doesn't mean it is easy. The technology only delivers value when there is an organizational commitment to assign the resources required to discover the insights from the data. Yet, even that isn't enough. There has to be an organizational commitment to review processes where gaps are revealed and to make real change when required. This may be cross-functional change, not just call center process change. Does your company currently use cross-functional teams to solve problems that require change across the organization? For most companies,

company, workforce optimization can deliver value. But very few have the time, resources, and money to do it all — much less all at once. Here are some keys to success:

1. Define a strategic vision and plan that phases in the technology. Part of the plan should define the characteristics (size, resources, corporate buy-in, willingness to invest, etc.) that must be in place before moving to the next stage.

2. Define where you are now based on the tools in place that you can build upon.

3. Identify the roadblocks to achieving your optimization vision and define how you will address them.

available capital, size, staffing, and current technology. (See the sidebar on the previous page for a discussion of sourcing options.)

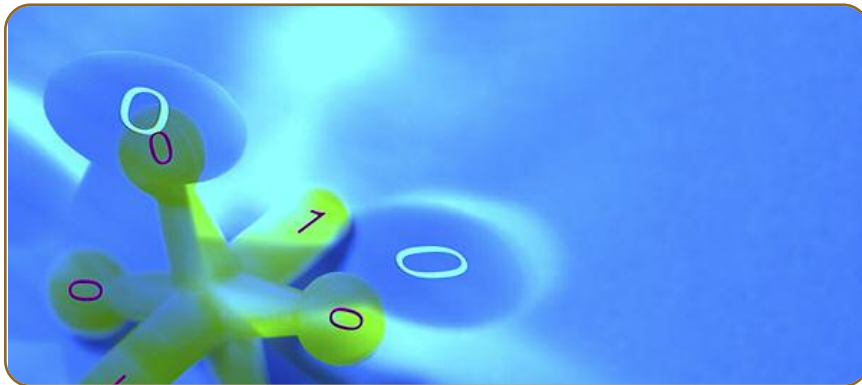
Whatever components you implement and however you source, there is one truth that you must accept as part of a workforce optimization solution — integration, integration, integration. Integrating the components of a workforce optimization solution with each other and with other organizational applications and databases is essential to achieving full enterprise value. Before starting to implement your plan, ensure you have the resources and support required for a major integration effort.

### CAN WE — SHOULD WE — DO IT?

While WFM and QM may be old news, the WFO/PO market is a new variation on this theme, and offers exciting new capabilities that are still maturing. The good news is that most vendors have reference-able customers that are getting value from a workforce optimization solution. As you pursue WFO and evaluate options, make sure the references really have all the components you are considering and are using them in an integrated way.

The major risk in a workforce optimization implementation is doing too much, too fast and not using the technology to full value to ensure a return on the investment. Take your time in planning and implementation to mitigate the risks. Phase in the components slowly and methodically, ensuring adequate resources, buy in, and measurable value at each stage.

With a vision and a plan that accepts the reality of your current situation and phases in the components that are appropriate for you,



this can require a difficult cultural change to get real value from a workforce optimization suite.

The table relates the solution components and the change in metrics, processes and resources required at each stage of your optimization evolution to achieve real value from the technology. Each stage is cumulative, building on the previous stage.

### GETTING THERE FROM HERE

So now that you have a picture of the reality of a workforce optimization solution, how do you decide what is right for you? While we'd like to say "all of it!" it's rarely the case. At the right time, in the right

4. Identify the technology/tools you need for a complete solution.

5. Define how the tools fit together and which other departments need to be involved at each stage.

6. Finally, prioritize the components and phase in the solution. Accept that some components of a total solution may not be appropriate for your center depending on the characteristics you defined to start your plan.

Once you have defined your requirements, you still have to make sense of the market to find the right vendor or reseller. Again, this will depend on characteristics of your current situation such as

you can implement the tools and processes that establish a culture of continuous optimization throughout your organization. ●



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