IS BENCHMARKING ALL THERE IS?

Many tools can help you navigate the path to best practices.

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Every center wants to know how they compare to others—whether to show they are better than, in line with, or worse than some "norm." The motivation may range from proof of excellence, defense of the status quo, or justification to change metrics, fund increased staffing or new technology, or pursue other initiatives, such as outsourcing. Trends within the center (good or bad), or business pressure tied to cost-cutting, growth, service improvement or other corporate initiatives can trigger the search for comparison. Or perhaps it springs from a simple desire to know what is typical and whether this center is in line?

Those seeking answers range from executives to frontline managers and supervisors. They can have a wide-ranging understanding (or lack thereof) of contact centers within or beyond the bounds of their building, campus or company. Many seek benchmarking to answer the question, "How are we doing?" Perhaps instead, we should be asking, "Am I operating as efficiently and effectively as I can, and using best practices as a guide to achieve my goals?" While benchmarking has its place, it should be viewed as just one instrument to measure performance and progress on the path to being a good—or great—contact center.

Let's Start with Benchmarking

There are some great benchmarking resources in the contact center industry that we and our clients use. The benchmarking resources sidebar, *page 3*, outlines some examples and shows that they are wide-ranging in structure and approach. *But it is important to keep in mind what benchmarking really is: a comparison of data from those that participate.* And of course, the data is only as good as the participants and the time and effort they put into sharing information about their center.

Strategic Contact knows from experience contributing to and running benchmarking studies and other surveys that getting a statistically significant number of participants is increasingly difficult. Everyone is busy. People want results but don't want to put in the time, or don't have all the data they need to be a full participant. The really great centers (of which there are few, unfortunately) may not want to spend time comparing themselves because they know they are good (and often don't want to share their data).

Metrics are probably the area of most interest in benchmarking, and arguably the easiest to gather in a study. But just comparing numbers doesn't show what key performance indicators (KPIs) people use and how they use them. It doesn't provide input on best practices (more on that later), what works and what doesn't, the directions people are heading in, or the investments that pay off. Further, metrics can vary widely in how the benchmark participants define and measure them; contact center reporting tools do not consistently generate all this data. The sidebar on page 4 provides a healthy dose of cautions on KPIs.

While we're being cautious, you also need to consider other factors that can impact benchmarking such as:

- Industry differences or no true match to your business: Unless you nicely fit into a "typical" category that the study used and received enough participants for, you may have to force-fit or settle for rolled-up averages.

- Other operational variables: Size matters. Hours of operation, use of outsourcers to help with extended hours or peaks do, too. For example, low staffing and low volume can create great differences in efficiency metrics from a big pool with economies of scale. So not all [fill in the vertical market (banks, utilities, etc.)] are created equal.

- Different technology, and the capabilities or limitations of it: Talk about variables. What you do with technology can significantly impact metrics (especially things like average handle time). Does the center have screen pops? How about IVR self-service,

SOME BENCHMARKING RESOURCES

Here is a sampling of benchmarking resources available to contact centers:

- **Benchmark Portal** by Purdue University: Enter your data and compare KPIs reflecting efficiency and effectiveness (e.g., for inbound, 16 KPIs).

- **Contact Babel:** Conducts an annual study and shares results in "U.S. Contact Center Decision Makers Guide" (free through Contact Babel or the vendor sponsors). This independently produced report compares a variety of statistics against vertical markets and sizes. They also interpret data to share industry issues and how they are being addressed, as well as trends and technology information.

- **Dimension Data:** In their 16th year of producing the "Global Contact Centre Benchmarking Report," DD covers 350 performance metrics from hundreds of centers around the globe, in cooperation with a variety of associations. They share not just data, but findings based on that data. There is a free summary report or a full report for purchase.

- **J.D. Power:** A brand that conveys quality, they offer a Call Center Benchmarking Toolkit that, like Benchmark Portal, can be used on a path to certification.

- **ForeSee:** This vendor can offer a more narrow focus on one of the key considerations for "How are we doing?"—Customer Satisfaction. They use Customer Experience Analytics to measure and compare.

peeling off all the easy contacts? Is the desktop messy, complex and slow, or are there few applications that are fast and highly integrated? And perhaps most importantly for metrics benchmarking, what level of reporting do they have on the various KPIs?

- Too small a sample: If there are only 10 like you, is that telling you much? Are few with extreme input (good or bad) skewing the data?

The bottom line is: When you use benchmarking, use it wisely.

Throw in a Dose of Best Practices

Many centers also ask about "best practices"—a highly credible and valuable alternative, or supplement, to benchmarking. Some talk about becoming "world class" or "best-in-class" centers. And unlike benchmarking, a best practices approach considers what's possible with today's technology, with the right strategy and investments in people, processes, technology and facilities. It looks at, not what just any old center does, but what the best do.

Since metrics are of such keen interest, let's focus there first. Some metrics truly have ways to define best practices (which is not the same as an "industry standard") and should be considered not as a benchmark, but what should I seek to achieve given my business, size, etc. Here are a few examples:

- **Service level (SL).** When a good benchmarking study shows target vs. actual service level, which do you focus on? Setting the right SL is more about understanding your business strategy, your customers (and their tolerance for delay), cost structures and revenue opportunities than it is about doing what others do. Plenty has been written on how to set the right SL and what to consider, but choose it carefully and then work to achieve it, not just measure it.

- **Span of control.** One supervisor can typically support 10 to 15 reps to have a manageable workload for coaching and development. Smaller centers and/or extended shifts (e.g., evenings, weekend) may need lower ratios. Under a budget crunch, some can function well

KPI CAUTIONS

Here are some popular metrics to benchmark and key considerations as you use them, because you don't fully know what is behind the participants' data.

- **Service level:** Anyone who has read Brad Cleveland's book, *Call Center Management on Fast Forward*, knows that there is more than one way to calculate service level (in fact, there are four!). Each looks at abandons differently. Throw callback queuing into the mix and service levels can take on a whole new meaning.

- **First contact resolution (FCR):** Hot metric, hard to measure and you can pick one of many ways to do it (CSat, QM, agent question, don't call back within X days, etc.). The big question is who gets to decide when the need is "resolved"—the company or the customer?

- **Quality:** Centers have different quality strategies (e.g., development, incentives/pay), different scorecards and criteria, different processes for scoring, and even different totals. And what makes it worse is the gap between internal quality and external customer perspective can be wide.

- **Cost per call/contact (CPC):** This one can come from simply dividing the contact center's budget by the number of contacts, or from finance people running a sophisticated model. There is great variation in loading labor rates (e.g., employees vs. temps, benefits or not, what types of benefits, etc.) and what other costs count in that loading, such as technology, network, management and support overhead, facilities and utilities, etc. Those other elements can easily be 25% to 33% of the cost based on our models. Not to mention it may be OK to have a higher CPC if you are driving revenue!

- **IVR containment rates:** While this metric should reflect success in completing an inquiry or transaction, often it's simply the difference of calls in vs. calls that transfer out. A caller who hangs up while in the IVR did not necessarily succeed.

- **Abandon rate:** When does it count (before or after hitting an IVR, prompts, or messages)? Do you count "good abandons" (e.g., message provides the info needed so caller hangs up)? Is the abandon rate limited because of network capacity (gives a busy) or routing structures (gives messages or offer call backs)? Do they include all abandons (see Service Level above)?

with up to 20 reps. Regardless, seek consistency, not an average with wide-ranging extremes.

- **Occupancy.** If you forecast and schedule properly, occupancy is a factor of your size, service level, workload and how you staff to match it. It's not something you should compare to others, but rather manage to the proper level for your environment. Small groups have lower occupancy than big ones at the same service level, but those big ones shouldn't run too high.

The industry has ample resources—from articles to books—to help you define the best practice target for your center for metrics such as these. In fact, *Contact Center Pipeline* can be your primary "go to" resource with its wealth of input from experts on these topics.

Beyond metrics, consider a comprehensive view of how you compare to what's possible, what is "best."

Get an assessment of how you are doing in all areas: strategy, operations and processes, organization (frontline and support functions), technology, metrics, and facilities. If you consider

Example of E³ Spectrums™ to Assess against Best Practices, **Figure 1,** *below*

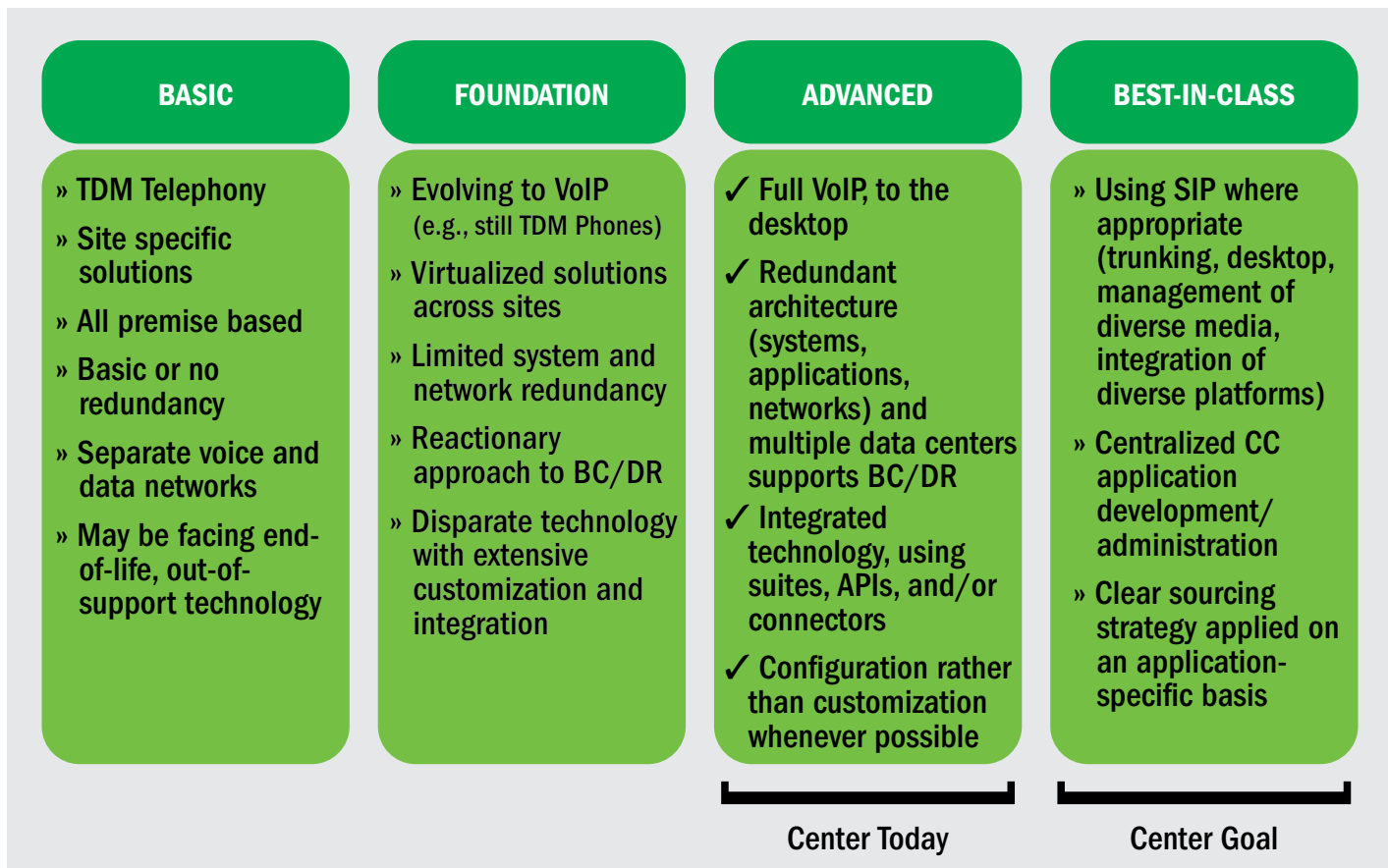| CATEGORY	Basic	Foundation	Advanced	Best-in-Class
Strategy		✓		
Organization			✓	
Operations & Processes			✓	
CC Support		✓		
WFM		✓		
QM			✓	
Training		✓		
Metrics		✓		
Facilities	✓			
Architecture			✓	
Routing			✓	
Reporting & Analytics		✓		
Other Tools		✓		
Self Service	✓			
Agent Desktop		✓		
Technology Support	✓			

best practices, you are setting a bar that recognizes few centers are fully mature in all areas, and may have made greater progress in some areas than others. Figure 1 shows the categories and ratings we use in our Efficiency and Effectiveness Evolution (E³) Spectrums™, and Figure 2 shows an example of how we define and score within one of those categories. We assess the current state against a set of criteria that define one of four levels of progress toward best practices, along with a structure for thinking about what to work towards. Such a tool can help prioritize initiatives and allocate resources to the top tasks that will help your center move forward. One outcome can be to define the impact of potential changes on metrics, as well as your financial goals (e.g., cost and/or revenue) and customer experience.

Complete the Picture with Other Options

Additional tools can build on benchmarking and best practices to help complete the picture of how your center stacks up and ideally move toward action, not just comparison. In pursuing these options, it is important to define the goals of the effort to hone in on the option(s) that are the best fit.

You can **benchmark against your own performance and progress**. Start by establishing a good baseline with an appropriate set of metrics and other factors. Then, set (realistic) goals and measure progress against the baseline and the goals to define continuous improvement initiatives.

Is Benchmarking All There Is?

Rating Against an Evolution to Best Practices: Architecture, **Figure 2,** *below*

BASIC	FOUNDATION	ADVANCED	BEST-IN-CLASS
» TDM Telephony » Site specific solutions » All premise based » Basic or no redundancy » Separate voice and data networks » May be facing end-of-life, out-of-support technology	» Evolving to VoIP (e.g., still TDM Phones) » Virtualized solutions across sites » Limited system and network redundancy » Reactionary approach to BC/DR » Disparate technology with extensive customization and integration	✓ Full VoIP, to the desktop ✓ Redundant architecture (systems, applications, networks) and multiple data centers supports BC/DR ✓ Integrated technology, using suites, APIs, and/or connectors ✓ Configuration rather than customization whenever possible	» Using SIP where appropriate (trunking, desktop, management of diverse media, integration of diverse platforms) » Centralized CC application development/administration » Clear sourcing strategy applied on an application-specific basis

Center Today — Center Goal

Some centers will take the step to pursue **certification**. There are a variety of resources, some of which leverage external benchmarking as well. For example, Benchmark Portal adds the value of an outside perspective to validate your data, gathers customer and employee satisfaction, and provides an assessment along with a benchmark comparison and certification. J.D. Power audits companies against many metrics and best practices for operations and support. They too use customer satisfaction and make comparisons to others they measure. COPC is perhaps best known in the outsourcing world, but can assess an in-house center, as well. They audit using standards for topics such as leadership, people, processes and performance. The structured scoring model provides a rating that can lead to certification.

Customer satisfaction surveys are another valuable tool. These can vary widely in scope from contact center specific to a view of the company and its products, prices and other services such as fulfillment. Contact center specific assessments are often referred to as "voice of the customer" (external view) and go hand-in-hand with quality assurance scores (internal view). These ideally follow on the heels of an interaction and tie into specific contacts to best reflect how the center is doing. There are independent studies, such as those performed by the American Customer Satisfaction Index (ACSI) that can add to the corporate view of customer satisfaction. They show trends over years and can provide important insight into changes occurring for your particular industry.

Net Promoter Score is another hot trend, but has reached that stage where the shine is

worn off a bit. Many are talking about its imperfections or other considerations with its use. But it has great potential value when looked at along with other tools. Like corporate customer satisfaction surveys, it is sometimes difficult to discern the contact center's impact on the score, especially if the timing is monthly or quarterly rather than immediately after a contact.

In addition, **other surveys and studies** sponsored by vendors, independent research groups, publications, consultants or analysts provide sources for understanding trends or providing comparison points. They may address a targeted topic, such as the multichannel studies we have conducted with *Contact Center Pipeline* (see "Companies Dive Deeper Into Multichannel Customer Contact," March 2012). Participate and you generally get the results for free or at a discount. Many give away vendor-sponsored reports or a summary. In using any of these results, make sure you understand the context of the study (and be watchful of any biases) and consider the level of participation—overall, and for your size, vertical or other segment.

A **third-party expert assessment** of your center can provide ratings and feedback on the current state, and ideally define targeted recommendations and a plan. A good assessment focuses not just on, "How are we doing?" but also, "Now that we know, what are we going to do next?" Such projects require a greater investment of time, resources and money, but they will launch you on a path to change.

Move Forward

Not everyone has the time or funding to benchmark, certify or assess. But there are some good options to at least do some comparison for little or no cost. Participate in benchmarking studies: You know you want the data to compare, so be a participant and share your input. Use external measures of your customer view, and conduct self assessments with tools where possible—keeping in mind they are only valuable if you answer honestly.

If you have the funds, consider some more robust, independent, third-party reviews, whether certification or assessment. That will take you a step further in comparing yourself to others and what's possible. Regardless, as you seek to assess how your center is doing, make sure you aren't just defining where you are, but determining where you will go. ℗

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About Contact Center Pipeline

Contact Center Pipeline is a monthly instructional journal focused on driving business success through effective contact center direction and decisions. Each issue contains informative articles, case studies, best practices, research and coverage of trends that impact the customer experience. Our writers and contributors are well-known industry experts with a unique understanding of how to optimize resources and maximize the value the organization provides to its customers.

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