



## Performance Management: Timely Information to Drive Results

### Paul Leamon

Looking for ways to ways to improve the efficiency and effectiveness of your contact center? Want to transform your operation from a cost center into a strategic resource? Performance management is a high impact solution for companies seeking ways to boost the productivity and profitability of their contact centers. Discover the benefits of performance management today:

- Develop a culture of high performance and accountability
- Get timely and trustworthy performance information
- Reward employees promptly and accurately
- And much more.

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Running an efficient and effective contact center operation takes dedication to excellence. In most contact centers, there are hidden inefficiencies and performance issues that can be uncovered and corrected. At the root of these inefficiencies is the difficulty in combining performance information from various systems to gain a comprehensive view of the center's overall performance that is both timely and trustworthy. The results are inefficient processes, inconsistent measurements, inaccurate data, dissatisfied agents and suboptimal management decision making. Performance management tools help contact centers expose these inefficiencies and drive improvements.

With performance management technology, companies can form solid, actionable conclusions based on the operational results of the organization. This data can then be used to drive the day-to-day practices of the center to achieve and maintain a higher level of performance and profitability.

Performance management systems combine data and results from automated call distributors (ACDs), workforce management, quality monitoring, customer relationship management (CRM) and other customer and employee-facing systems to create an overall view of current business trends and operating conditions. These systems provide dashboards, reports, analytics and on-line performance review data which provide performance views for each role in the contact center, from agents to supervisors to managers, directors, analysts and executives.

These views combined with updated processes allow everyone in the organization to view and improve their own performance and that of the people they manage. This paper presents 10 reasons contact centers concerned with the efficiency and effectiveness of their operation should embrace performance management.

### **Timely Performance Management with Custom Metrics**

Performance management is emerging as a standard management activity in contact centers. In leading organizations, it has become as critical as workforce management, quality monitoring, call scripting, and proper contact routing. Most contact centers employ some form of performance management today. However, several common problems prevent higher levels of performance from being attained. One of the main problems is that data assimilation is often difficult and time consuming. Also, many centers manage by averages, without considering variances that may be fostering inefficiency.

Many centers can obtain performance reports from the center's ACD, the workforce management system and the quality monitoring solution. However, combining performance data from these systems through database queries and reports is usually difficult and time consuming. The lag time between when the data from these systems is combined, verified and distributed, is often so great, that when the data arrives, it is too late for managers and agents to act on the information. Performance information should be delivered daily to each employee in a format that is useful to their role in the organization.

Management by averages is another problem contact centers face. When individuals and teams are managed based on averages, instead of individual performance, centers are neglecting the effect of performance variation that contributes to reduced organizational efficiency. By clearly seeing how each individual and team is performing, it is easy to find areas where improvement can be made.

With these problems, centers are often at a loss to explain how their performance metrics, if any, tie into the levers at their disposal to influence employee activity and overall results. Performance management provides the insight needed to make strategic business decisions based on timely analysis of the key performance indicators (KPIs) that matter most to the organization, and closes the loop with operational results.

Each facet of a contact center operation, and how employees' time is used, can be analyzed and optimized for maximum benefit. This makes it easier for management to see and understand ways to improve performance using KPIs tailored to the center's specific business requirements.

For example, let's consider the contact center of a mortgage company. In this case, the center may set a goal of turning six out of 10 or 60 percent of its mortgage rate inquiries into over the phone loan applications. As an additional goal, the center may also strive to up-sell 50 percent of the loan applicants a mortgage insurance policy.

By setting clear, measurable goals and then using a performance management system to understand what succeeded or failed, everyone in the mortgage company's contact center holds a level of accountability. This greatly improves the mortgage company's ability to meet set objectives. It also improves the corporate executive's ability to project revenue because mortgage application data, insurance quote information and other relevant KPIs are at their fingertips.

As demonstrated in the mortgage company example, performance management solutions allow the center to create KPIs to measure the metrics that matter most to the organization. The more advanced systems put this power into the hands of the business analysts, allowing them to create metrics, dashboards and reports through an easy to use graphical user interface (GUI). That way, the center doesn't have to rely on in-house programmers, their IT department or the performance management system vendor to make critical updates as their performance management KPIs and goals evolve.

Agent Performance										
										Printable Dashboard
<b>Team KPI vs Goal Yesterday</b> ⓘ										
▼ Team	AHT	AHT Goal	Status	Quality	Quality Goal	Status	Dependability	Dependability Goal	Status	
<b>Team Camelia Rampal</b>	590	700		89%	90%		83.48%	87%		
<b>Team KPI vs Goal Current Month</b> ⓘ										
▼ Team	AHT	AHT Goal	Status	Quality	Quality Goal	Status	Dependability	Dependability Goal	Status	
<b>Team Camelia Rampal</b>	622	700		93%	90%		82.57%	87%		
<b>Staff KPI vs Goal Current Month</b> ⓘ										
▼ Person	AHT	AHT Goal	Status	Quality	Quality Goal	Status	Dependability	Dependability Goal	Status	
<b>Jana Cassidy</b>	544	700		92%	90%		84.80%	87%		
<b>Jane Deering</b>	710	700		94%	90%		92.5%	87%		
<b>Jacob McClain</b>	714	700		89%	90%		79.52%	87%		
<b>Julia Navarre</b>	695	700		92%	90%		80.10%	87%		
<b>Francois Thierry</b>	694	700		95%	90%		88.5%	87%		

### Example of a Supervisor Dashboard

#### Develop a Culture of High Performance and Accountability

Performance management can reinforce, for everyone, concepts which have already been embraced at the highest level of contact center management -- particularly the notion that every day, every hour, and every minute of an operation matters. Because performance management establishes clear goals for each employee and shows them their performance to those goals every day, there are no surprises to the agent if the results are less than expected.

This makes review sessions between managers and employees easier and less contentious since performance details are not “new news” to either party. As a result, managers can act more as a mentor or coach during the session. Furthermore, since all goals and metrics are directly tied to performance, every employee can see that the standards to which they are held are consistent and grounded in business goals that hold true across the organization, not simply based on the preferences or desires of a single line manager. That way, management practices are more productive and fair, which can greatly improve job satisfaction and ultimately lower turnover rates.

The ability to clearly understand goals and their results is particularly important for new agents, who may not intuitively know what management expects of them or how well they are doing at moving through the new agent learning curve.

High performance and accountability is furthered by healthy peer competition. With performance management technology, employees view not only their performance results, but those of their peers as well. Imagine how motivated an employee would be if he or she thought they were the top agent in their group, but found out that their performance has historically been only average? How much better will top performing employees be when they see they are ranked above their peers? How would an employee react to seeing that they are top in one KPI, perhaps AHT, but below average in another, perhaps schedule adherence?

It is these comparisons and competitive motivation that can generate significant improvement within a month or two. Through this process, the center will also likely find employees who are at the bottom of the performance rankings and give up because they have determined they are in the wrong job. Finding that out sooner, rather than later, helps everyone in the long run.

### **Provide Trustworthy Performance Data**

There are many details that must be handled to supply performance data that is 100 percent accurate. When employees move between teams, changing managers in the process, the way their performance data is calculated can make the difference between accurate and erroneous reporting.

If the information is calculated incorrectly, the data won't accurately reflect the performance impact gaining or losing an employee has on the team. Performance management solutions that employ temporality, a capability that tracks employee movement between teams and managers, ensures the center is accurately calculating performance data for the individual and their teams as employees change roles within the organization. Let's take the case of an agent named Larry, for example:

Larry, who currently reports to Walter, is set to transfer to Lisa's group on the 10th of June. At month end, the center must be sure the system takes into consideration that Larry was part of Walter's group the first through the 9th and Lisa's group the 10th through the 30th.

Larry's performance data should show his performance for all of June, and any rolled up data from Walter's and Lisa's teams should roll-up to higher levels in the organization without double counting Larry's data. While this sounds easy, it is very difficult to do. Yet handling temporality correctly is a necessity. If it isn't done properly, employees may question the accuracy of the performance data. And in environments where managers are compensated on the performance of their teams, the cost of an error can be substantial.

When organizational transfers like Larry's occur, it's important to ensure the change doesn't skew the supervisor's performance reporting calculations. But the performance

management system shouldn't force the center to establish "work-around" policies such as employees can only transfer on the first work day of the month either. The system should adapt to the contact center's business requirements, not the other way around.

Another important process when compiling performance data is to allow the inclusion or exclusion of certain information. Often, newly hired contact center agents need 30 days of training to become proficient at their job. So, when comparing supervisor teams, it is necessary to allow two views of performance data: one with and one without new hire details. This allows the center to compare apples to apples, gaining a true view of performance. Other filters that are often important include part-time and full-time employee data and weekend versus weekday information.

Often, centers with multiple managers or sites have different ways of measuring and managing performance. When this happens, it is difficult -- if not impossible -- to combine performance data and roll it up to a higher level because the calculations that are used by each manager or site may be different. These issues are solved when a performance management system is implemented and consistent calculations are used enterprise wide.

A sophisticated performance management system will handle these types of details to enable the center to see the various views of the performance data, with it all reported correctly. The important result is that employees will trust the data that is reported.

### **Reward Employees Promptly and Accurately**

By making goals and results clear and providing consistent training and coaching to all employees, it's easier for everyone to buy into the culture of high performance and accountability. As a performance management system tracks and reports employee behavior, managers are given an accurate summary and detail information of all activities measured against key metrics. This information can be used to drive recognition and reward programs with incentives like better schedules for top-performing agents or bonuses for those who achieve set goals.

For contact centers that have sales agents, providing daily sales and commission updates on their desktop through performance management dashboards and reports provides several benefits. The sales team doesn't have to continually create commission reports or listen to agents complain about the lag time in seeing their commission numbers. Perhaps more importantly, this daily update will motivate sales agents to manage their own performance to ensure their sales goals and those of the center are realized.

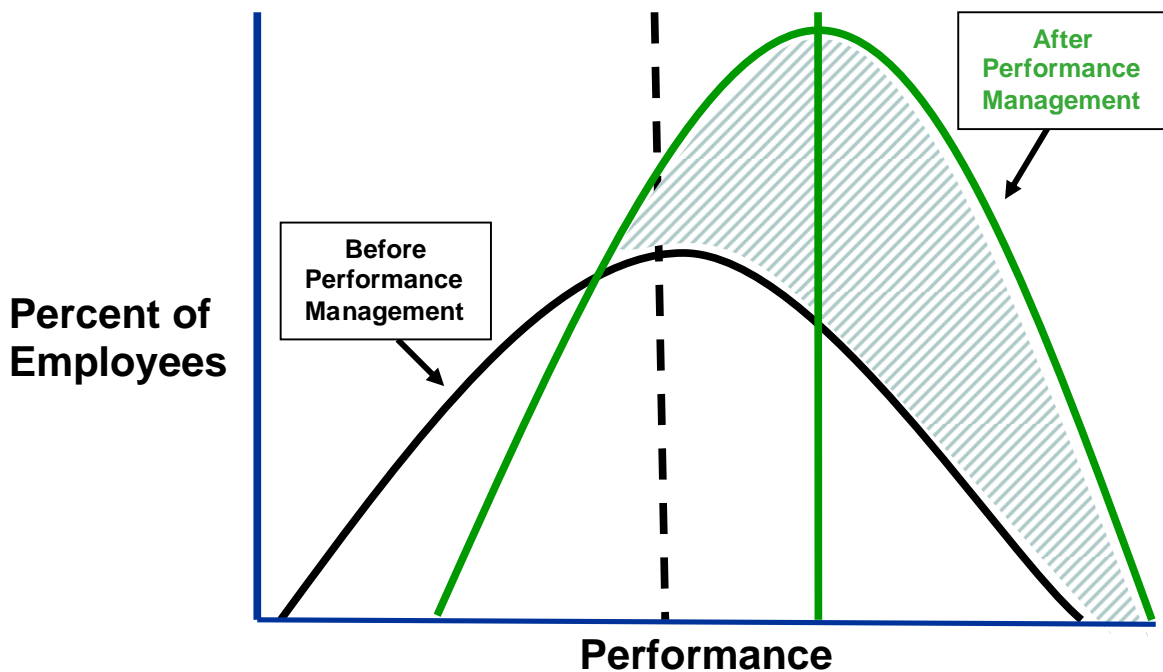
### **Standardize Processes to Reduce Variations and Improve Results**

Performance management provides a common frame of reference to measure the impact metrics that can be collected from various contact center systems have on the organization. It also provides usable intelligence about the impact of investments of time and management resources, such as coaching and training. This creates a consistent and replicable view of such activities.

Performance management analysis can provide guidance for the maximum and minimum amount of time managers and leaders should spend on activities such as coaching and training to maximize overall performance improvement. This insight helps take whim or instinct out of the equation and ensures that processes are followed at all levels of operations.

In many contact centers, where there is a typical performance bell curve for a particular KPI, managers may mistakenly spend an inordinate amount of coaching time with high and low performers — instead of with the average performers — where there is really a chance to make a difference. The top performers are already ‘stars’ in their own right and don’t really need coaching. On the other end of the spectrum, the low-performers probably won’t improve enough to make a huge impact, and might be in the wrong job.

The best way to move the bell curve to higher performance and make the largest impact is in the middle of the curve where most of the employees are located and where the center can turn the average performers into top performers. Performance management technology can help the center do just that. By documenting coaching sessions in the performance management database, managers can quickly get a vision of what’s really going on and where to focus their energy. Over time, as this history builds, it is easy to see the correlation between coaching sessions and performance improvements.



Performance Management Helps All Employees Improve

### **Replace Time-Consuming Tasks with High-Yield Activities**

In contact centers without performance management systems, supervisors often spend a significant amount of time each week manually collecting and combining agent performance data into a report to be discussed with the agent. This time consuming task is eliminated with the deployment of a performance management solution because it automates the delivery of performance data to employees. With this task eliminated, supervisors have more time to spend in activities that yield higher performance such as more time to mentor and coach their agents.

Similarly, if the contact center has a specialized reporting team, charged with creating various performance reports on a scheduled basis as well as various ad hoc reports, performance management can drastically change their mission. Instead of doing mostly manual work to consolidate performance data from various systems and then rolling that data up to different levels of the organizational hierarchy, these individuals will be able to spend time analyzing the reports that are created automatically. This transformation allows the reporting specialists to become business analysts, providing higher value to the organization while enhancing their careers at the same time.

### **Improve Customer Satisfaction**

So much of the customer experience hinges on their interaction with an individual agent. In an environment where agents are given responsibility for their own performance along with the visibility and tools necessary to make meaningful improvements, they feel more challenged and rewarded than they do in environments where they have no insight into their own the overall operation of the company. This equates to a happier workforce, with lower turnover, and one better prepared to competently and pleasantly handle inquiries and concerns from customers. And in the end, customers will receive and appreciate a better experience.

Performance management also ties in directly with measurement and trend analysis of customer satisfaction. A performance management solution can be tied in with an IVR-based survey of a customer after the call has closed, and the feedback from the customer will immediately be incorporated into the performance tally for the agent, alerting both the agent and management to positive trends or negative results.

### **Save Time and Money with Predefined Solutions**

In the past, many performance management solutions have required heavy customization -- at a high price. Modern performance management solutions come pre-built and ready to integrate with the systems that already power the contact center. By selecting a performance management solution that is designed to interface with the center's workforce management and other operational systems, implementation time and integration expenses can be greatly reduced.

Unlike in-house developed solutions, and some other performance management systems, these advanced systems are bundled with predefined metrics, KPIs, dashboards and reports. This saves a significant amount of time and money because it eliminates the need to pay for intensive professional services. Instead, the organization's employees can create the metrics, KPIs, dashboards and reports that best suit the business. In systems, where the business analyst can make changes to the metrics, KPIs, dashboards and reports, the center gets the best of both worlds. The center can leverage the predefined solutions, but still make the changes that adapt the solution to company's unique business requirements.

### **Expandable Performance Management The Center Won't Outgrow**

Some performance management systems are good entry level systems, but as a long-term solution they are limited because they don't allow additional dashboards, reports or features to be added. Other systems are full-featured. But trying to jump in and take advantage of all the features can be overwhelming. This may actually doom the performance management project because process changes are too great to be quickly adopted.

The latest, third-generation solutions are multi-level applications that enable the center to start simple, and add dashboards, reports and features as needed and evolve to using a full-featured system. That way, contact centers can get started quickly -- enabling the organization to prove the value of performance management without a huge up-front investment.

For example, it might make sense for the center to start by integrating data from its workforce management, ACD and quality monitoring systems. Then, as comfort levels and business needs grow, the center can add more integrations and capabilities.

This measured introduction of the technology helps reduce any associated risk and culture shock. In other words, the company can begin to develop a culture of accountability through performance management and then grow the capabilities with workflow and other advanced features.

Many contact centers have found that in-house solutions and those that require vendor customization do not make much sense in the long run because the cost and time required to make changes, major or minor, is often expensive and time consuming. More and more companies with in-house developed systems are replacing them with technology that allows the center to ensure optimal performance management by enabling them to make required changes in a timely and cost effective manner.

That means giving business analysts the ability to manipulate the system themselves through an easy to use GUI. These systems provide a lower total cost of ownership and provide a much faster time to get changes implemented, with changes measured in hours not months.

## Achieve a Rapid Return on Investment

Performance management creates a clear and measurable return on investment without a long ramp-up time. Depending on the goals of the organization, performance management delivers reductions in average talk time, average work time and hold time, increases in agent online time and schedule adherence, reduction in attrition and improvements in both first call resolution as well as customer quality ratings.

Performance management can help rapidly narrow the productivity gap between standout and sub-par performers, which can be as great as four to one in some environments.

Giving agents the tools they need to self-evaluate and take corrective action, as well as to understand and follow endorsed best practices, can lead to both increased call productivity as well as an increase in revenue generation. Supervisors and managers are able to view much more performance data with minimal effort, giving them the maximum opportunity to make meaningful changes through not only policy adjustments but one-to-one interaction. Business analysts are freed from the time-consuming tasks of manually creating reports every day, allowing them to put their expertise to work on long-term business analysis and highly targeted investigation. Ultimately, the mindset of the performance-focused organization will have a ripple effect that makes top performance an expectation, rather than an unattainable goal.

## Conclusion

Performance management is a high impact solution for companies that want to continually improve the operations of their contact centers. By leveraging existing investments in workforce management and customer interaction, performance management delivers a complete view of the effectiveness and efficiency of customer contact, both at the individual level and in aggregate. Dashboard-driven solutions make it easy for front-line agents and managers alike to understand their role in the center's performance and how improvements may need to be made. ROI on performance management solutions can be seen within just 2 to 6 months in most organizations. Performance management represents a clear competitive advantage for companies looking for continuous improvement and consistent excellence in their customer organizations.

### **About IEX Corporation**

*IEX Corporation is a global leading provider of contact center workforce management and optimization technology. IEX has a strong market presence worldwide in over 40 countries, with nearly 850,000 agents in over 2,900 sites. Founded in 1988, the company delivers award-winning products and services that help customers improve planning, enhance performance, streamline tasks and integrate data. IEX has been recognized as the 2005 Growth Strategy Leader by Frost & Sullivan and has been named the 2005 Workforce Management and Optimization Leader by CRM Magazine. The company has several strategic partnerships with global contact center solution providers that enhance the value of its flagship product, the TotalView Workforce Management system. IEX is based in Richardson, Texas. For more information, visit <http://www.iex.com>.*

**About the Author**

*Paul Leamon guides the product direction for TotalView, the award-winning workforce management system offered by IEX Corporation. During his 16-years at IEX, he has consistently and successfully translated customer feedback into real-world solutions. Leamon is an inventor and co-inventor on several noteworthy workforce management patents that have been granted or are pending. Inquiries can be directed to [paul.leamon@iex.com](mailto:paul.leamon@iex.com).*