

ICMI's Consulting Division's Call Center Improvement Series: Overcoming the Challenges of Managing a Small Call Center

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Overcoming the Challenges of Managing a Small Call Center

Small call centers certainly have their share of challenges and frustrations. Many struggle with the same basic issue – how to get a better understanding of the dynamics associated with managing small agent groups. (My definition of a “small” call center is one with up to 40 agents, or a center with up to 40 agents in skill or routing groups.)

On the other hand, there are also several advantages to being small. And if you can properly leverage these advantages, your center can make the customer’s experience a satisfying one.

There are five key benefits typically found in small call centers:

- **Everyone gets to know everyone else.** In a more familiar environment, agents typically get a better understanding of their role on the team, as well as their coworkers’ strengths and weaknesses.
- **There’s more involvement with other departments.** Small call centers (single site) have the luxury of being involved in sales/marketing activities and understanding their potential impact.
- **There is an overall understanding of mission and vision.** Agents in smaller centers are able to see the entire process or the “big picture.” Therefore, they have a clear understanding of their role in supporting the overall operation.
- **It’s easy to disseminate new information.** In many cases, information can be communicated within minutes during informal standup meetings or via hand-delivered memos to all agents.
- **The center can quickly react to real-time changes.** Managers in smaller call centers typically have the luxury of being able to view the entire floor and personally control real-time recovery actions.

Customers Don’t Know that You’re Small

Customers don’t know – and, in most cases, don’t care about – the size of the call center. That may sound harsh, but it’s reality. Customers compare their experiences, many of which are with large call centers that have technology and economies of scale working in their favor. What does that mean for small centers? Managers have to work hard to come up with creative ways to provide positive customer experiences.

But that can be difficult – so, as a result, many smaller centers often find themselves operating in a constant state of chaos. But there are solutions to this dilemma. A key to successfully managing the

small call center environment and providing an excellent customer experience is understanding the challenges and deciding where to focus your energy.

A Challenging Environment

While call centers, in general, are demanding operations, in many cases, management challenges are further exacerbated by the smaller environments. Following are a few key challenges with which smaller centers struggle.

- **Everyone gets to know everyone else.** While this can be a benefit, it also creates obstacles in environments that do not have fair or balanced agent measures in place. If, for instance, mediocre performance receives the same rewards as top-level or outstanding performance, it's noticed by others on the team – and negativity can quickly spread.
- **There is little room for error.** Agent workload distribution and customer service is significantly impacted by just one poorly planned activity or by one or two agents not adhering to their schedules.
- **Significant forecast variances exist.** Call volumes and handle times are, in most cases, less predictable and directly impact the number of agents required to meet a service level objective in every interval.
- **Reaction options are limited.** Typically, there are few, if any, other places to send calls during times of crises. Also, real-time recovery routing creativity is limited.
- **Budgets are limited (or lacking).** Capital spending budgets are limited and there is generally a heavy entry price to obtain the latest technology.
- **Lower agent occupancy rates are required.** Agent occupancy is an uncontrollable outcome – and a reality that must be accounted for and must be well understood.

For many managers, the challenges of being small may seem to outweigh the benefits. However, understanding and appreciating a few key concepts can significantly minimize the obstacles by helping you to improve operating efficiencies and reduce the number of daily “hair-on-fire” events. We'll cover four concepts in this article, and look at four more in next month's issue.

Understand Agent Occupancy

Agent occupancy is the most important concept for managers of small call centers to understand and appreciate. It is an often misunderstood and misapplied call center concept.

For small call centers, agent occupancy is the main driver behind many efficiency challenges, and the most frequently overlooked necessity. Simply put, agent occupancy is the average amount of time agents spend on calls either while “occupied” talking to customers or in an after-call work state.

The inverse of agent occupancy is agent idle time – or the amount of time agents spend sitting, waiting for the phone to ring. Idle time is a reality in every call center. The larger the call center, the less idle time required to meet a given service level objective – in a larger answering group, agents will become available to take calls more frequently, resulting in less idle time.

Figure 1, helps to illustrate how occupancy varies depending on the size of the answer group. The chart shows the results of an Erlang program used to determine the number of agents required during a half-hour period to meet a 90/30 service level objective (90 percent of calls answered in 30 seconds).

FIGURE 1. OCCUPANCY VARIES BY SIZE OF ANSWER GROUP

Service Level % 90%				
Answered in: 30 secs.				
Staffing Req.	Volume	AHT (secs.)	ASA (secs.)	Occupancy Rate
119	575	340	7.8	91%
65	300	340	8.2	87%
45	200	340	8.6	84%
18	70	340	11.1	73%
8	25	340	13.4	59%

Following are a few highlights from the chart:

- Each row is an example of a different call answer group.
- The objective is to answer 90 percent of calls within 30 seconds in all five examples.
- Inputs to the program are:
 1. **Call volume:** The number of calls expected to be offered to the group in the half-hour.
(Volume)
 2. **Call handle time:** The average of the sum of talk, hold and after-call work (AHT) for each call.
- Outputs from the program are:
 1. **Minimum number of seated agents:** The minimum number of agents needed for the entire half-hour to meet the service objective (Staffing Req).

2. **Average speed of answer (ASA):** The expected average call answer speed if the minimum agents required are staffed.
 3. **Agent occupancy:** The average amount of time agents will be occupied in direct support of customers shown as a percent with the inverse being idle time. (Occupancy Rate)
- The bottom row of the chart reveals a need to have eight agents available for an entire half-hour to answer the 25 calls within the service level objective. The agent occupancy result is 59 percent – in other words, the eight agents will be talking to customers or in an after-call work state an average 59 percent of the time. It's easier to understand when you look at the inverse – agent idle time (in this case, it's 41 percent). At the end of the half-hour, if you were to total the idle time, you would find that each of the eight agents were idle 41 percent of the time, just over 12 minutes per agent.
 - In contrast, the top row of the chart shows that 119 agents are needed to handle 575 calls with an average occupancy of 91 percent. The inverse is 9 percent idle time or about 2.5 minutes per agent.

When expanded for an entire day, the chart shows that the agents in the smallest call center will be idle an average of two hours for every seven hours of phone time compared to only 35 minutes of idle time in the large center.

Because agent occupancy is a function of workload size and desired service levels, and can't be increased, this means more idle time will always be required by small call centers to meet the same service level as larger centers. If you manage a small call center that is meeting its call-answering objectives, you've probably been asked by others in the organization why agents are just "sitting" around. The answer is in the occupancy.

A Planning Culture is Critical

Absolutely, the best thing you can do for yourself, your customers and your employees is to embrace the concept of a call center planning culture. A planning culture is one in which everything that can impact the call center's quality and service level is considered in each and every business decision. This concept is especially critical for small centers, given their limited error margins.

Call centers must be properly staffed in order to meet telephone objectives, provide agents with a balanced, quality worklife, and allow adequate time for non-phone activities. This may seem like an obvious statement, but call centers of all sizes are constantly struggling to get it right.

Before trying to improve processes, make agents happier or introduce new technology, you have to get the staffing part right. Staffing is the most basic activity, regardless of size, but it is also the most often overlooked one.

For small centers, staffing becomes an even greater challenge due to the lack of appreciation of the value the center adds to the organization. In many cases, small call centers are supported by departments whose responsibilities are spread across the company, such as:

- The telecom department, which provides ACD support for the call center, as well as all of the other telephones in the company.
- The HR department, which is tasked with screening call center agents but also spends a majority of its time staffing for other parts of the company.

In addition, manpower standards used in other parts of the company are sometimes applied to the call center (e.g., FTEs per customer or other static models).

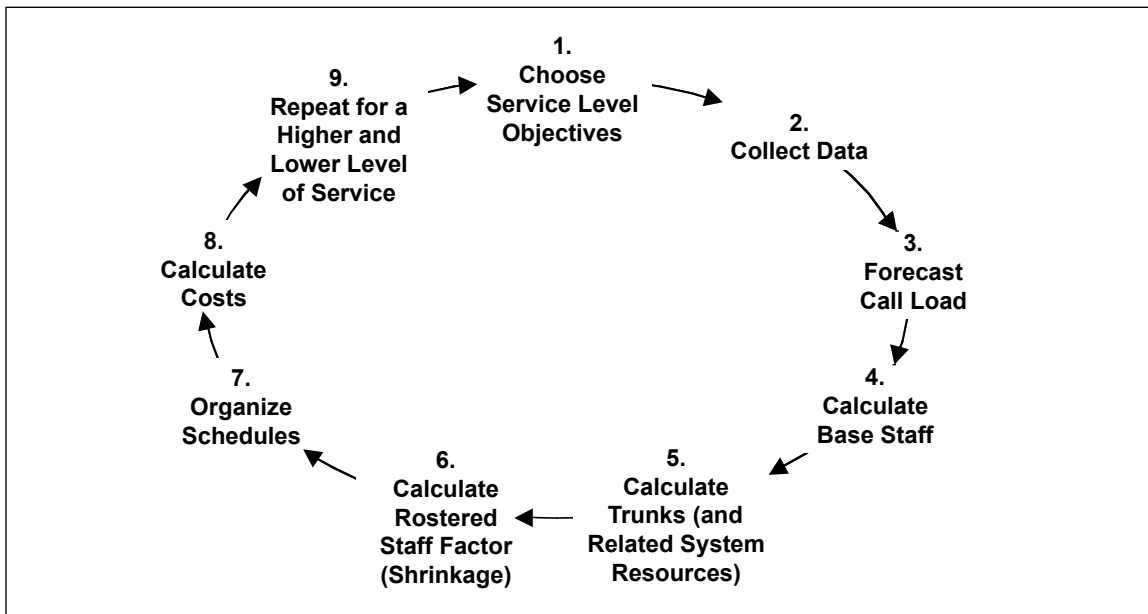
At the heart of overcoming these challenges is a well-understood and appreciated service level-driven planning process. Without it, managers will spend a lot of time explaining “why,” and those outside of the center will continuously question changes. Creating a planning culture is the foundation for everything that makes call centers run better – process improvements, targeted training, coaching and quality initiatives.

The Planning and Management Process

Regardless of the size of the call center, a systematic planning and management process must be in place, which involves nine key steps (none of which can be skipped).

Figure 2, illustrates the planning and management process. Small call centers often struggle because they're missing the first, and most basic, activity – choosing a service level objective. In many cases, small call centers focus on telephone objectives such as average speed of answer or abandon rate in place of a service level focus.

FIGURE 2. THE PLANNING AND MANAGEMENT PROCESS



Service level is positively the best call center telephone speed-to-answer measure. It directly measures the accessibility of your organization to your customers and should be used as the primary measure of telephone success. Service level is defined as answering X percent of calls within Y seconds (e.g., 80 percent of calls in 30 seconds).

Service level is the tried-and-true indicator for call centers and is the basis on which all commercially available workforce management systems are built. It is often viewed simply as a performance measure or goal for call centers. While it's true that it does provide the best overall indicator of caller treatment, it also serves a much greater purpose. A call center's service level objective provides the foundation for the most fundamental activities in a center: planning, staffing and execution. The service level objective you choose will directly influence the number of people you hire, how many agents you need to on the phone during each hour of the day and when you need to implement a real-time recovery plan.

Once you have a service level in place, you must also develop a formal process for addressing the subsequent eight steps in the planning process. Keep in mind, being small doesn't allow you to take shortcuts. In fact, just the opposite is true – even with all nine steps solidly in place, there will be additional challenges to overcome.

Recognize Agent Capacity

A frequently misunderstood or misapplied concept concerns agents available productivity. It's not uncommon for a small center to staff two agents for every one hour of customer support workload (depending on the service level or size, the ratio can go as high as 3:1).

To recognize an agent's true capacity, first you must fully understand where all of the time is going. Figure 3, helps to illustrate this point.

FIGURE 3. SAMPLE AGENT ACTIVITIES

	Remaining Hours	Activity Reduction	Hours Remaining
Weekly Scheduled Hours	40.0	0.0	40.0
Absent (annual, sick, FLMA) 17days/yr.	40.0	2.6	37.4
Paid Breaks (2@15 min. per day)	37.4	2.5	34.9
Non-Phone (meetings, coaching) @ 1hr./wk.	34.9	1.0	33.9
Non-Phone (email,updates) @ .5hr./day	33.9	2.5	31.4
Telephone Adherence 90%	31.4	3.1	28.3
Required Occupancy Rate 70%	28.3	8.5	19.8
Total on Phones, Hold and ACW	19.8		

The table shows that, once all activities are accounted for, a 40-hour agent will be dedicated to serving customers an average of only 19.8 hours per week. The required occupancy rate alone accounts for a telephone reduction of 8.5 hours per week when the expected service level objective is being met. As illustrated in the previously mentioned occupancy example, this is a requirement – and the smaller the center, more “idle” time must be added to the process.

Many small call centers try to account for non-productive time by scheduling other activities during the “idle” time. Under the right circumstances, this can be successful. One key is to make sure the assigned activities do not take agents from their desk or cause them to go into a call blocking state (e.g., outbound calls, research, gaining approval, etc).

It's Not Easy Being Small

Certainly, large call centers have their frustrations – but the smaller the call center, the larger the operational efficiency challenges. To overcome the challenges, managers of smaller centers need to clearly understand and appreciate call center dynamics.

Don't Give Up on the Forecast

Small call centers will always be challenged to get accurate forecasts; it's never as easy as in large call centers. The more samples you have, the easier it is to predict the future – and with fewer calls in smaller centers, improving forecasting accuracy is a constant struggle.

There are several approaches for forecasting call load (call volume x handle time). In small call centers, historical-based forecasting generally works pretty well. Basically, you look at what happened over the previous weeks to forecast what to expect in the upcoming week. The data is typically available from the phone system and can be easily trended in a spreadsheet or database application.

Unfortunately, many small call centers tend to give up, because they're never able to achieve the single-digit interval variances commonly referenced in industry journals as “best practice.” My advice is don't despair – there will always be some type of volatility present. Keep tracking it and look for ways to reduce the average. The key is to determine how close you can get and then develop schedules based on the range.

Let's say that history shows you're normally within a 12 percent absolute interval staffing variance – the difference between the number of people you think you need vs. the actual need. As you're working to find ways to reduce the 12 percent variance, it should be accounted for in your schedule just as your required occupancy and actual telephone adherence rates are. Not planning for this reality will result in missing service level in many intervals, eventually creating more challenges for the center.

Get Creative with Schedules

Once you have an understanding of your true daily interval staffing needs, getting creative with schedules becomes easier. For small call centers, this is one way to reduce some of the inefficiencies introduced with a lower required occupancy rate. Following are some ways to help improve departmental efficiencies by ensuring your workforce is properly aligned with the workload:

- Transition static start and stop times to more flexible shifts.

- Conduct training or meetings outside of traditional hours.
- Give agents the option to combine breaks and lunch to take the combined off time during a non-peak period.
- Train back-office personnel to handle routine inquiries during peak time or lunches.
- Consider allowing agents to swap “return” breaks for early release time.
- Transition the routine/common inquiries to a part-time or temporary workforce.
- Reward agents who are open to daily adjustments to schedule changes.
- Share a resource or two with a department outside of the call center and rotate nonphone tasks throughout the call center.
- Move additional (simple) responsibilities to the call center to take advantage of the required “idle” time.

Plan to React in Advance

Real-time management is thought by many to be a call center savior, but it often drains the energy of everyone involved. Typically, larger call centers have people running an “intra-day” desk, continuously monitoring activities and adjusting call routing and agent skills based on internal and external changes.

Small call centers generally don't have the resource availability or the reaction options of larger centers. Therefore, formal recovery plans are a necessity and everyone needs to understand their roles. It is also important that you have a way to communicate the current state to the entire organization. This can be accomplished with wall-mounted reader boards, terminal alerts or agent phone displays.

Bottom line, the best way to prepare for real-time management is to plan to “react in advance.” That may sound like an oxymoron, but it is exactly what we do in call centers – use historical information to predict future needs. If the planning process has been followed correctly, a call center will have an accurate picture of the interval staffing that is required compared to the staff scheduled.

Your ability to react in advance starts with creating a way to perform an interval gap analysis. This is your daily plan that shows how many people you need by interval balanced against the staff scheduled. Everything that impacts the staffing requirement or staff availability must be continuously updated and reflected in the plan. This provides the opportunity to anticipate service

deficits and do something about them in advance. Table 1 is an example of a tracking tool that can be created to illustrate this opportunity.

TABLE 1. SAMPLE TRACKING TOOL

Interval	Current day schedule (updated for all changes; e.g., sick, late, etc)	Minimum phone requirement (agents who must be in place for the entire half-hour)	Expected staffing variance (current day schedule minus minimum phone requirement)
7:30-8:00 AM	14	10	4
8:00-8:30 AM	18	17	1
8:30-9:00 AM	34	32	2
9:00-9:30 AM	36	40	-4
9:30-10:00 AM	41	46	-5

In Table 1, above, the intervals from 7:30 a.m. through 9 a.m. are expected to have enough staffing to meet the service level objective, but the two subsequent intervals lack the minimum required staffing. By having this information available when the day starts, the call center can implement plans to avoid queues several hours in advance. By not doing anything to address a known staffing deficit, a call center is essentially planning for failure.

No matter how much planning you do, there will be times when things don't go as anticipated and you'll have to react on the fly. A common mistake in small call centers is to implement the recovery plan too quickly. It is important to remember that queues aren't necessarily a bad thing and, when managing to a service level, they are actually part of the overall plan. Another consideration is the fact that small call centers typically have longer hold times for those calls not answered within the service level objective. If a real-time recovery plan is implemented too often and too quickly, those tasked with reacting will soon lose faith in the process and operational efficiencies will be negatively impacted.

The first step in setting the right real-time queue reaction thresholds is to understand how your volume and service level impact the number of calls and length of a planned delay. Getting it right does involve some trial-and-error, but you can get a good feel for where to start by spending time reviewing the output available using a simple Erlang C calculator.

Focus on Adherence and Quality

Almost all of the small call centers that we've partnered with have one thing in common: opportunities to focus agents' attention on measures within their direct control. These measures are also at the heart of running efficient, effective call centers – quality and schedule adherence.

Regardless of size, you must have a formal process in place to monitor and measure the quality of the service your call center is providing. Table 2, outlines the basics needed in every call center.

TABLE 2. REQUIRED PROCESSES FOR MONITORING AND MEASURING QUALITY

	Large Call Centers	Small Call Centers
Develop standards	✓	✓
Ensure consistency (calibrate)	✓	✓
Determine approach and frequency	✓	✓
Monitor and evaluate	✓	✓
Provide feedback	✓	✓
Identify individual and departmental trends	✓	✓
Use results to improve the process	✓	✓

As with the nine-step planning and management process we discussed last month, you won't realize the full benefits if any step is left out. Even when formal processes are in place, there are typically opportunities to add to the frequency or items evaluated. Some call centers don't do this because they don't have automated technology. Don't wait – there are inexpensive tape recorders available that can be hooked up to manager's phone to begin your monitoring program (check with your local Radio Shack).

In addition, call centers often drive the wrong agent behavior by focusing on call volume-based “productivity” measures, such as:

- Total calls per hour
- Transactions per day
- “Normalized” or “occupancy-adjusted” calls per hour
- Defined talk or wrapup time
- Telephone availability
- Individual agent occupancy
- Telephone state utilization

Using any of these measures to drive agent performance calculations can ultimately send the wrong message: Provide quality, but hurry. Even when call centers get creative with an overall ranking, we typically find elements that are outside of an agent's direct control and, therefore, result in comparisons that are not quite "apples to apples."

The way to overcome promoting unhealthy behaviors and unfair comparisons is to set goals around the one phone measure that is directly within an agent's control – schedule adherence. For instance, did the agent follow his or her schedule the way you expected? Call centers can also set goals for attendance and punctuality, but the other phone indicators (handle time, calls, etc.) should be managed without defined departmental goals.

Managers who are trying to improve performance reports often ask how they can "control" agent behavior without specific goals. You can start by adopting an operating philosophy that assumes agents are always doing the right thing to provide service to the customers.

If, for some reason, you aren't comfortable with this mindset, first you may need to evaluate your current processes and consider why your environment doesn't allow this type of thinking. Self-reflection is often difficult, but it will highlight the current measures and rewards that may be driving the wrong behaviors in your agents and, in some cases, the management team.

Get Companywide Support

To overcome operational efficiency challenges of smaller centers, you need to have a clear understanding and appreciation of call center dynamics. More importantly, you must be able to clearly articulate those challenges and dynamics to everyone in the organization to get the support you need to operate efficiently. When this understanding is firmly entrenched in the organization, small call centers can meet, and even surpass, operational results achieved in larger centers.

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About Tim Montgomery, Consultant



Tim Montgomery is a consultant and Certified Associate of ICMI and has over twelve years of call center and customer service experience.

This experience includes staff, operations and internal consulting positions with USAA in support of their world-class call centers. Before joining ICMI's Consulting Division, Tim designed, developed, and led a new call center organization within USAA's Banking division that focused on leveraging the company's existing call center technologies.

Tim often speaks at industry conferences, has written several articles on call center operations and has delivered call center presentations to

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Incoming Calls Management Institute (ICMI), based in Annapolis, Maryland, offers the most comprehensive educational resources available for call center (contact center, interaction center, help desk) management professionals. ICMI's focus is helping individuals and organizations understand the dynamics of today's customer contact environment in order to improve performance and achieve superior business results. From the world's first seminar on incoming call center management, to the first conference on call center/Internet integration and subsequent research on multichannel integration, ICMI is a recognized global leader. ICMI is independent and is not associated with, owned or subsidized by any industry supplier; ICMI's only source of funding is from those who use its services.

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