

Performance Management Software Helps Carlson Leisure Travel Optimize Contact Center



Decision Point:	Enhancing Contact Center Performance for Customer and Employee Effectiveness
The Bottom Line:	To achieve best-in-class contact center performance, it is critical that the entire organization, agents, supervisors and executives are in alignment on their contribution to key performance indicators. A good performance management software package, when properly deployed, can boost these efforts dramatically.
Key Concepts	Contact centers, performance management, KPI, COPC, Six Sigma
Who Should Read:	Chief marketing officer, VP of marketing, VP of business development, VP of sales, VP of product management, COO, CEO, contact center operations managers, line-of-business managers, VP of customer service and support

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Growth Surge Continues for Travel Services Provider

Achieving optimal performance from a contact center is a daunting task that requires excellent management of people, processes and technology resources. A company that can do that *and* support year-over-year revenue growth of high double digits for the past 8 years is a phenomenal success story.

Carlson Leisure Travel Services did just that (see Exhibit 1). The company achieved those stellar results by performing an internal process management review, implementing best practices and purchasing the right performance management package—in this case, Merced Systems' Merced Performance Suite. By blending best practices with the best product, Carlson Leisure Travel Services also realized a swift ROI: The project paid for itself within 6 months of deployment.

CLTS, a division of Carlson Travel Group, Inc. based in Minneapolis (wholly owned by Carlson Companies), provides financial institutions and credit card reward programs with travel award redemptions. Through its customer contact centers, CLTS currently assists more than 6.5 million active members of client credit card loyalty programs. It provides these services with approximately 700 agents and support staff spanning three domestic locations plus two outsourced call centers in New Delhi, India. Some of the agents also work from remote home offices in the United States.

Beginning in 2001, the contact center management team at CLTS set a strategy in place to achieve rapid and sustainable revenue growth by adopting a disciplined and structured approach to performance management and optimization.

To continue to achieve aggressive corporate growth targets, the CLTS contact center management team had to determine a plan of action to achieve optimal performance and develop an ongoing discipline of continuous improvement.

Exhibit 1. Carlson Leisure Travel Services Corporate Information

Company Name	Carlson Leisure Travel Services, a division of Carlson Travel Group, Inc. (wholly owned by Carlson Companies)
Corporate Headquarters	Minneapolis, Minn.
Industry Type	Travel and hospitality
1997 to 2005 Revenue Growth	52% CAGR
2005 Employees	700

Source: Yankee Group, 2005

Continuous Improvement Results in Continued Success

In 2001, CLTS set out to become the best-in-class provider of leisure travel services. To achieve that status, Carlson's management team committed itself to creating a culture of continuous improvement by:

- Developing Six Sigma quality and process improvement capabilities and project teams
- Achieving Customer Operations Performance Center (COPC) certification, a global best-in-class contact center designation
- Making an extensive training investment
- Investing in a performance management application
- Creating a new statement of direction to guide the organization in implementing the business strategy

In short, CLTS examined every aspect of its business to realize productivity improvements. The travel services provider trained its employees to be successful sales agents while still providing a high level of customer service and deployed the necessary underlying technology to support its business transformation to a best-in-class organization.

Applying the rigorous Six Sigma framework and undergoing the COPC certification process, CLTS established high-level operational improvement targets. Having established these improvement goals, the organization conducted a review of its existing processes and performance to identify key gaps and used Six Sigma as the methodology and improvement capability to close those gaps.

The Approach

As the tactics and improvement initiative needed to achieve the strategy unfolded, it quickly became clear that CLTS lacked both a common means to measure and track its performance across the operation, and a means of aligning individual goals with corporate objectives. Most notably, CLTS found that the frontline—agents and supervisors—did not fully understand the organization's priorities and financial goals or how their individual performance contributed to the operation's ability to reach these goals.

As is typical with multisite global contact center operations, the domestic locations and the outsourcer differed in key performance indicator definitions and operations management. In the words of the executive sponsor of the project, the goal was to "measure everything, consistently and frequently."

To help align employee objectives with the new corporate strategy, CLTS recognized the need to implement an integrated performance management application. Company leaders understood that a performance management application was the key to their business transformation by providing them with the tools necessary to:

- Align individual objectives with corporate goals
- Administer targeted sales incentive programs
- Centralize, standardize and simplify the measurement and reporting of individual and operational performance

Carlson's specific selection criteria for a performance management application were:

- An integrated workflow system to improve, track and manage coaching and development activities
- Delivery of highly personalized performance metrics to all roles in the operation
- Sophisticated analytics and metrics to accommodate evolving incentive programs
- A platform for centralized reporting of consistent and timely business metrics across the entire operation—"one version of the truth," as it is called in CLTS
- The ability to integrate data from the widest set of data sources, including legacy systems

Carlson selected Merced Performance Suite from Merced Systems based on its ability to meet the above criteria. Since deployment, Merced has become the central management tool for the entire organization, from agent to executive, by delivering clear objectives, visibility into individual performance and guiding activities through automating best practices.

More specifically, CLTS uses the Merced Performance Suite to:

- Establish management best practices by standardizing and automating supervisor activities, thereby freeing up the majority of a supervisor's day to spend it coaching the performance of their team members
- Create a culture of accountability by automating the data and reporting processes across the operation that support performance tracking and management against established performance standards
- Drive employee behavior change by delivering highly personalized information and goals to everyone in the organization

Critical Success Factors

A successful business transformation, especially occurring during a period of rapid revenue growth, is usually dependent on some key success factors. To drive the improvements through the organization and across multiple sites, those success factors included:

- Executive sponsorship and support to become "best in class," as signified by becoming certified to the COPC standard
- A focus on process management and measurement systems that produced timely and accurate process-level metrics that were measured over time and against specific targets, goals or contractual requirements
- Technology deployments aligned with management practice changes
- Driving a continual performance improvement culture to all levels of the contact center

Merced Performance Suite Streamlined Organizational Tasks

Selected for its ability to go beyond reporting and scorecards, the Merced Performance Suite helped CLTS to centralize management functions. Consequently, the suite's key features empowered every employee to make better fact-based decisions and then take action to improve performance. Carlson has recognized significant ROI since deploying the suite, including 100% project payback during the initial 6 months after deployment because of:

- **Productivity improvements** throughout the operation achieved through the delivery of clear, personalized goals to every employee and tracking daily progress against individual targets
- **A reduction in average handle time** resulting from increased focus by agents and supervisors on critical productivity measures
- **Elimination in manual reporting tasks** achieved by integrating data from disparate sources and automating information-gathering activities
- **Freed up resources to do analysis instead of producing basic reports** achieved by centralizing data in a single repository to create "one version of the truth"
- **Better management decision-making** achieved through timely and consistent access to critical operational data
- **Increased and improved coaching and agent development** achieved through the use of integrated management tools and coaching forms

Recommendations for Enterprises

Based on the Carlson experience, we conclude:

- **Best-in-class contact centers operate with a well-understood and consistent set of key performance indicators.** CLTS invested heavily in ensuring that at all levels of management key performance indicators (KPIs) were understood, tracked and analyzed for opportunities for improvement.
- **Structured performance improvement methodologies such as COPC certification and Six Sigma can be applied with great success to contact centers.** The industry has been slow to adopt more structured and consistent performance optimization methodologies, but they can work and show positive ROI. A successful deployment depends on a common definition and tracking of KPIs, and—more importantly—a deep understanding of them at all levels of the contact center.
- **Contact center performance management software is crucial and requires organizational change to maximize benefit.** Vendors such as Merced specialize in contact centers, so their software incorporates typical KPIs, workflows and integrations to common data sources. This technology is important to a contact center optimization effort, but requires organizational buy-in and support.
- **Ensure consistent and engaged executive sponsorship.** Many contact centers suffer from a strained relationship with the rest of the enterprise. To achieve optimal performance, regular disciplined executive involvement and collaboration are requirements, not options. This is consistent with the methods encouraged by COPC and Six Sigma, and can be applied to contact centers.