



HIGH  
PERFORMANCE  
CONTACT  
CENTERS:  
Aligning WFM With  
Corporate Goals for  
Maximum Strategic  
Value

A Frost & Sullivan Whitepaper

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For as long as customers have been phoning companies they do business with, there has been dynamic tension as different constituencies try to cope with separate agendas and variable outcomes of those customer interactions. From the customer point of view, there is only one possible good outcome - *satisfaction*. But within a corporation, a successful interaction has largely depended on who is doing the measuring, and what that measurement accounts for.

In an environment where the call center is effectively cut off from the enterprise's decision making - a very typical and traditional scenario - the call center's management can take a very activity-based approach to defining success. But the more an organization looks to the contact center as a strategic resource (effectively seeing the customer interaction as an opportunity to serve other needs besides simple transaction processing), the less the call center can rely on activity metrics. Instead, it needs a sound outcome-based measurement regimen.

The heart of a contact center's information resource is the workforce management tool (WFM), a complex system that melds predictions about what conditions will exist with resource allocation algorithms for assuring the right number of agents. But what distinguishes today's high performance center from the merely adequate is the way WFM is integrated with other necessary tools.

Today's customer contacts are much more complex than in the past. They involve multiple sites answering calls across dispersed geographies. The workforce itself is more varied, consisting of people spread across multiple centers, home agents, outsourced centers, and other less-controllable environments. Another level of complexity is added in the form of the variety of contact modes customers have access to: not just phone calls, but emails, web chats, self-service tools and collaborative agent/customer tools. These introduce different skills that contact center personnel need to do their work. And it puts pressure on the center's management to effectively allocate resources while ensuring the most profitable interactions possible.

The solution to these increasing demands inside the center has been to escalate the reach of the WFM system – tying it closer to other tools that measure specific activities, like quality monitoring and performance management. These related agent-facing tools are essential, but without the glue provided by an intelligent WFM system, they create silos of information and hinder the goal of high performance operations. WFM have been developed and fine-tuned precisely for these multi-site, multi-skill environments.

In effect, the march toward higher performance starts with managing the various facets of the workforce through a WFM system: it depends on a center's ability to set up a coherent operating plan in a complex environment, and then to execute that plan.

In the present environment, the challenge for contact center managers is too much raw information available from too many sources. This information (though valuable and indeed critical in some contexts) is usually not integrated or formatted to deliver specific insights into ways of improving performance.

Effective use of the available information can help boost the efficiency of activities across three relevant domains:

- the overall contact center (primarily using workforce management software)
- individual agent performance (through the performance management software)
- the enterprise as a whole (by integrating the workflow and information delivery via customized dashboards and portals, and by measuring the ability of agents to fulfill corporate goals through quality monitoring).

By organizing contact center operations around efforts to improve in all three of these domains, the center management will achieve high performance and at the same time be able to articulate the value of that improvement to the enterprise as a whole. Ultimately, this positions the contact center as a critical strategic resource for the organization.

Where many call center users see the workforce management component as limited to call forecasting and agent scheduling, the true high performance center incorporates it into a larger program. It's not just a planning tool, but an overall call center management system.

## **DEFINING THE “HIGH-PERFORMANCE” CENTER**

Contact centers have traditionally measured telephony activity as their benchmarks of success: average handle time, talk time, queue length – these are the stock in trade of most centers, even today. And yet, there is pressure from forces outside the contact center to measure and define success in more value- and outcome-oriented metrics. This is manifested in the surge of interest in measuring First Call Resolution. It is also apparent in the movement towards recognizing the “voice of the customer” through post-call surveys and other tools.

Centers that grapple with those measures have encountered the difficulty in setting rigorous statistical baselines for those new efforts. However, it has become apparent that “performance” as the organization defines it goes well beyond the traditional telephony measures the call center works with. So what does it mean to be a “high-performance center”?

One thing it means is having the ability to respond to changes quickly when circumstances warrant. Effective use of a workforce management system can help knit the activities of a center into the overall strategic efforts of a company.

For example, WFM can enable a center to devote specific agents to multimedia customer interactions, or to create a more flexible universal queue for customers without sacrificing efficiency in call handling. It ensures that a center can manage costs at the level of the agent (often down to staffing in 15-minute increments) and at the same time create more nuanced opportunities for improving response to customer inquiries.

## CHARACTERISTICS OF BETTER PERFORMANCE

There are three identifying criteria that distinguish higher-performance centers from the average performers.

1. The contact center and the enterprise work in tandem to balance cost-controls with efforts to realistically measure service quality. It is not enough to simply declare a policy of valuing the high customer experience. In a high-performing center, specific goals and objectives must be set for achieving realistic customer experience benchmarks *within the context of an efficient allocation of resources*.
2. In the high-performance center, individual front-line workers are set clear performance goals, and those goals are constructed to reflect actual business objectives. These can be expressed in traditional call center telephony metrics (hold time, calls handled, etc.), but they must originate in or be aligned with organizational goals (profits, revenue, customer retention and churn, etc.).
3. The flow of information into and out of the center is controlled and channeled so that appropriate managers and analysts can interpret the raw data and use it to create specific prescriptions for change that improve performance. This can include an emphasis on root-cause analysis, scenario simulation and the proactive creation of responses before deep problems can fester.

Taken together, these three markers of the high-performance center represent a way to put real-world underpinnings to what so many contact center executives crave: a way to articulate to the rest of the enterprise the true value of the customer interaction infrastructure to company health.

## ACHIEVING HIGH PERFORMANCE

Performance is simply the achievement of objectives. Whether you hit your mark and achieve high or low performance is of less importance than whether you set the correct objectives in the first place.

For the delicate relationship between an organization and its contact center, defining those objectives fall into three core categories.

**Operational Performance.** This is the expression of the overall health and efficiency of the contact center. How well does the center do at the core mission of handling the

appropriate call volume? Does it achieve that within service-delivery guidelines? Does it achieve that with the allocated resources? What are the deviations from the forecasts and expectations?

These operational performance questions are traditionally answered using workforce management tools, which specialize in forecasting call volume and matching resources – agents – to the predicted demand.

Proper operational performance is the foundation for any further refinement of overall contact center performance. If you don't achieve excellence here, it will be exceedingly difficult to excel in either of the following two areas.

**Employee Performance.** Individual agent performance is easy to measure (by definition, it is one of the largest components of overall center performance) with workforce management tools. WFM has been (and remains) the key functional process by which call centers allocate resources. And it increasingly connects to, even organizes, a broader array of tools that include quality monitoring systems, coaching and training feedback.

Also, the sector of software known as “performance management,” though unhelpfully named, has made tremendous improvements in the ability of supervisors and managers to unify their view of how well agents are meeting goals and create specific, prescriptive remedies in near-real-time.

**Enterprise Performance.** The “high-performance” contact center is distinguished from the average center in that it can intelligently parse the customer interactions that it creates and use the knowledge of what's going on in those interactions to alert the organization as a whole to both incipient problems and to new opportunities. Communication between contact center management and colleagues in other departments (especially marketing, compliance and quality control) is effected through the sophisticated roll-up of call center data into formats that are easy to interpret. The data reflects real-world organizational concerns, not just telephony statistics.

## **WFM: KEY TO HIGHER PERFORMANCE**

It is important to note that technologies that were once seen as part of separate domains are now increasingly commingled, sharing common platforms and feature sets. Workforce management, quality monitoring, coaching, training, performance management: these tools can be connected to one another through common interfaces.

One reliable mode of connection is to use a service-oriented architecture (SOA). This technique for building applications relies on an open framework that allows users to insert specific applications into their infrastructure without having to build hard-coded links into their existing contact center platforms. In other words, it allows centers to add tools for things like coaching or analytics that can have linked workflows and processes, without necessarily having to build custom links to work well together.

This enables single-view use of multiple tools, so that they effectively appear to the user to be part of a single, organic whole. This, in turn, lets users from different parts of the organization filter the mass of unstructured information into something more useful and prescriptive. It's an application development technique that has been encouraged by some of the larger software vendors and is advantageous in the way it allows smaller, more specific tools to come together as part of seamless suites.

Indeed, one of the hallmarks of the last five years of software development in the contact center has been the emergence of a super-category of tools, largely integrated, that have been described as "agent development." The guiding market principle has been simple: tools that work well separately, in separate domains, work more effectively in concert, especially when feedback loops can be closed to identify causes of problems and suggest solutions.

What binds them together is more than just a common underlying architecture. They also work toward a common set of goals: better agent performance, more effective agent management, leading to measurably better customer interactions and a healthier business.

Such a connection, for example, exists between quality monitoring (listening to the contents of a call and scoring an agent on the process); the delivery of training and coaching as an outcome of the scoring; and the assessment of the success of that training in the agent's future performance.

That very obvious relationship has been visible for more than a decade, but it was only in the last few years that vendors in the software community fully melded the tools that facilitate all sides of that equation.

A more powerful closed loop exists between workforce management and so-called "performance management" software. Workforce management tools close a loop of their own. They are responsible for the forecasting of volume, the projection of required agents to handle the volume, the creation of schedules for those agents, and the measurement of adherence to those schedules. Until the late 1990s, WFM that encompassed all four of those elements was only available to the very largest call centers because the software was expensive and ran on proprietary systems. It was also deeply linked to the kind of switching a call center used, specifically to the kind of ACD available. It was limited in the kinds of criteria that could be used to schedule agents, like skill-sets. And only the highest-end systems could manipulate the information needed to forecast and schedule for multi-site call center operations.

WFM has been a success story of modern contact centers. Where it was in barely 10-20% of contact centers in the mid-1990s, a Frost & Sullivan end-user survey shows that the majority (66.7%) of call centers now report using workforce management software. Roughly one-third (32.0%) do not. Among the majority who use workforce management software, forecasting & scheduling is the #1 purpose for using it (84.0%).

Today's systems are much more powerful and sleekly capable of manipulating many more variables for scheduling and forecasting, even across huge multi-site networks. Because of the complexity of the operating environment within modern contact centers, the WFM system is the foundation of their effective operation and control.

But the WFM tool works best when it has a feedback mechanism tied to it to assure that the call center's operations are continually seeking out anomalies and offering corrections. The most basic level of feedback, as noted, involves quality scoring and the training feedback that improves individual agent performance.

A more sophisticated feedback loop is provided by integrating WFM with performance management software. This category of tools – which has generally been poorly understood by the contact center marketplace – is an innovative extension of existing practices in reporting and analytics.

Reporting is taking data from various data sources and simply presenting it - it's just one step up from the raw collection of information that comes from any source. Analytics is taking that data and asking questions about it - running what-if scenarios, for example, or changing variables and seeing what kinds of effects are created when you alter the basic parameters.

Performance management is another step in the process - it's how you make information usable, actionable, decisive. As centers become more sophisticated, the way we figure out what steps to take to make centers and agents better has to become more science than art. PM offers a way to turn the day-to-day WFM output into prescriptions for better agent behavior that's more in line with the overall business goals. It marries an optimized call handling capability with an optimized revenue, value, or customer retention strategy.

In a recent study of end-user attitudes, Frost & Sullivan found that 66.0% of call centers are using performance management technology. The top reasons for use are reported to be: time savings/cost reduction; proactive planning & informed decision making; and to better understand contact center performance effectiveness (76.8%, 71.7%, and 69.7%, respectively).

While that data point indicates an overall appreciation of the value of turning the data into prescriptions for better performance, it is likely that most of the centers that report using that kind of technology are actually working with custom-made or ad-hoc methods, rather than productized tools. This would tend to understate the true capacity for improvement inherent in those centers.

## **WFM AS THE ENGINE OF IMPROVEMENT**

Without the baseline WFM data at heart of the system, very little strategic (or even tactical) recalibration can go on through performance management or any other tool. It is the keystone to operating at the highest performance levels.

Integrating data streams beyond the WFM system gives you the ability to look past the “butts in seats” to both the business drivers behind customer behavior and to ready fixes for operational problems. The WFM tool is the place where you would implement tactical responses to problems that you would uncover through more widespread analysis: changes in overtime, for example, or liberalizing schedule-trade policies.

If you take the performance at the agent level, the day by day scheduling and adherence to schedules, and match it with more information about the context those agents are operating in, you can start creating “balanced scorecards” for the enterprise as a whole, essentially reducing the glut of information into a small set of meaningful data points that show if the organization is performing well, or not, and the drivers behind that.

## **ENHANCING STRATEGIC VALUE**

A call center is a strategic resource to an organization – and a competitive differentiator – when it can analyze what is going on *inside* a customer interaction and report on how that interaction relates to other company activities.

Certain vertical industries have already begun to recognize this shift. Financial services and hospitality are both highly competitive industries and environments that are highly sensitive to the customer experience. In those sectors, high-performance call centers are already beginning to use tools like speech analytics to parse the *meaning* behind specific interactions. Spotting patterns in the calls allows a savvy call center executive to relate call data either up the chain to business problems or opportunities; or down the chain to agent behaviors that need modification.

An example: a utility company that sends out its bills once a month will show an enormous spike of calls immediately following the bill mailing. A traditional call center would see the spike coming and staff up in expectation of the peak. A savvy high-performance center would link up with the billing arm of the company and suggest staggered billing so that the peaks don't occur at all. This takes the emphasis off crisis-mode management (responsive to anomalies like peaks) and puts it on ways to use the existing resources to improve the customer experience.

In a similar vein, a high-performance center would then be able to detect a peak that was a genuine anomaly – like a high error rate in bills resulting in more calls – and push information about that problem up the chain so that the problem could be addressed by the appropriate team. Traditionally, the approach would be to handle the anomaly as if it were little more than a “spike of calls.” Instead, an integrated approach sees it as a pattern of customers with similar problems that can be addressed universally.

There are generally two scenarios under which an enterprise comes to appreciate the strategic value of its call centers: top-down, and bottom-up.

In a top-down scenario, executives at the higher levels implement initiatives designed to find out more about the customer experience, often for a specific purpose like gleaning competitive intelligence. An executive might want to know what competitors are being mentioned during calls in which customers threaten to leave, or what alternative offers are being cited during those calls. Technology like speech analytics or interaction analytics can be used to drill down to a word-level analysis of calls, parsing specific names and phrases that can be used to refine market understanding.

More often, though, the scenario that emerges is the bottom-up, wherein a contact center manager will use the tools available to push a new and/or critical piece of intelligence up into the enterprise. For example, he or she can go furnish marketing (or legal, or compliance) with the knowledge that a certain percentage of interactions are about a specific issue with a product – and then offer precise examples in the form of calls they can listen to as a team.

Overall, only about 1 in 5 call centers use speech analytics (19.3%). But among those who do use it, the largest proportion use it for either “drilling down for ‘root cause’ analysis” or “agent evaluations & performance exceptions” (72.4% and 69.0%, respectively).

Whichever mode takes shape in a particular center, the red flag is the realization that patterns in behavior can be detected and information about them sent to someone who can effect change.

## **CONCLUSION: PATHWAYS TO HIGH PERFORMANCE**

For a contact center, operating at the highest levels doesn't mean processing the most calls in the shortest possible time with the smallest possible headcount.

What it *does* mean is that a center makes tactical decisions (in training, call handling and resource allocation) that are in tandem and informed by the strategic decisions made by other relevant departments.

It also means that the contact center's management has at its disposal valid information that enhances those other departments' ability to make strategic decisions.

It means that the technological infrastructure guiding the operations of the contact center are integrated and complementary, including unified agent desktops, multi-stream data analysis tools, workforce management and full-feedback between all systems.

These principles, when properly applied, will improve a company's ability to retain customers and put the contact center into a stronger strategic position within the organization as a whole.

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