



Call Center Best Practices

Top 10 Best Practices for Improving FCR

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There is a significant difference between a world class and an average call center's first call resolution (FCR) performance. This difference represents an enormous FCR improvement opportunity for the call center industry, given that only 5% of the call centers SQM benchmarks are at the world class FCR performance level. Achieving a world class FCR performance level of 80% or higher typically results in an average of 1.2 calls needed to resolve a customer's inquiry or problem. The average call center FCR performance level is 67%, resulting in an average of 1.5 calls needed to resolve the customer's inquiry or problem.

Also, for the average call center SQM benchmarks, only 48% of total inbound call volume is 'one and done' call resolution. This means for the average call center 52% of total calls handled by CSRs are not resolved in one call. It is important to mention that the 'one and done' metric is different from the FCR and calls resolved metrics*. Interestingly, very few, if any, senior call center managers know their 'one and done' performance for their call center. On average, 70% of world class FCR call center inbound call volume is 'one and done' call resolution.

For the average call center SQM benchmarks, a 1% improvement in their FCR performance equals \$276,000 in annual operational savings. When you improve your FCR, not only do you achieve operational savings, you also reduce customers at risk which is typically a 5-10 times greater savings opportunity than the operational FCR improvement savings. Most importantly, by improving the call center's FCR performance, you also have a positive impact on Csat performance, operating cost, and the call center's ability to help retain customers for the organization.

Given these operational factors, we will briefly describe the Top 10 best practices for transforming your call center to a world class FCR call center.

1. **Management...** The senior vice president, managers at all levels and departments are committed to improving FCR performance by aligning all people, processes and technology practices towards improving FCR. In other words, all major activities they are responsible for are performed with the intent to improve their FCR performance. It is very important that frontline views management, at all levels and departments, as customer-centric and that all employees truly know what it means to be customer-centric. Management should convey to all employees that the call center's main purpose is to retain customers by resolving their call on the first call.
 2. **ROI Awareness...** All employees are aware of the business case to improve FCR performance. For the average call center that SQM benchmarks, a 1% improvement in FCR performance equals \$276,000 in operational savings. However, the real cost for not resolving a customer's
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call on the first call is the customer stops doing business with the organization as a result of their call center experience. This real cost is 5 to 10 times higher than the operational savings from improving FCR. The typical call center that we benchmark has 44,000 customers who stop doing business with the organization as a result of their call center experience.

3. **Goals and Accountability...** All employees are accountable for achieving voice of customer (VOC) metrics such as FCR and customer satisfaction (Csat). It has been SQM's experience that call centers with a bonus program which uses VOC metrics as the main component for bonus payout, can help improve the call center's FCR performance by as much as 12%. This improvement can take place in 30 days or less. Aligning bonus and recognition practices to your VOC metrics performance is the very best practice for quickly improving your FCR performance. The typical stretch goal for frontline and management is 3% to 5% higher than their current VOC performance. There are 5 VOC metrics that world class call centers typically use to create accountability and recognition at both the CSR and management levels. All 5 are excellent metrics for determining bonus payout:

- Overall Csat with the call center
- Overall Csat with the CSR
- Customer's call was resolved
- World class call (combination of all the above metrics)
- First call resolution

Note: FCR metric is not used at the CSR level for bonus purposes because the CSR cannot be held accountable for FCR performance.

4. **Customer and Employee Surveying...** Call center conducts post-call 3 minute customer surveys and uses the feedback for retaining customers, reducing repeat calls and creating accountability at all levels for VOC metrics. The best practice is to conduct at least 5 surveys per CSR per month. Also, the call center conducts daily FCR voice of the employee (VOE) 3 minute surveys to determine if CSRs feel that all levels of management are focused on delivering FCR consistently. CSRs should be surveyed at least 2 times annually on whether or not management is focused on improving FCR performance.
 5. **Improvement Process...** Call center uses a PDCA improvement process cycle (i.e., Plan, Do, Check, Act) also known as the Deming cycle for reducing repeat calls. SQM's version of the PDCA Cycle for improving FCR and Csat performance consists of: Plan – identify unresolved call types and repeat call reasons to analyze and improve; Do – develop a solution and implement a test pilot to improve specific unresolved call type
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performance; Check – check to see whether or not the test pilot was successful; Act – implement a standardized improvement plan for improving unresolved call type performance.

6. **Customer Quality Assurance...** The customer quality assurance (CQA) evaluation is a revolutionary process that, for the same call, the CQA evaluator uses both customer survey information and call compliance information to assess call quality. In a CQA evaluation form, a CSR would see and hear customer survey ratings, customer feedback recordings, the full call recording and screen capture. SQM has found that CQA is one of the best practices for improving FCR and Csat performance. The few call centers that have implemented CQA as a business practice for monitoring their calls, have experienced higher FCR and Csat performance. If properly implemented, a call center can expect an FCR and Csat increase of at least 5%. Very few other initiatives that SQM has experienced have provided these types of FCR and Csat performance improvement increases.
 7. **Selecting CSRs...** New CSRs are hired based on having the necessary traits needed to provide consistent World Class Service. The following is the four-step world class CSR selection process: 1. Pre-Interview Selection – review CSR candidate’s resume and use an IVR to interview the candidate in order to determine whether or not the CSR candidate should go through further selection steps; 2. Personality Test – use a personality test to determine if the CSR candidate has customer-centric traits; 3. Job Simulation – CSR candidate gains understanding of the job fit for them; the organization gains understanding of whether or not the CSR candidate is a good fit for the job and would provide great service; 4. Face-to-Face Interview – final opportunity to determine whether or not the CSR candidate is a good fit for the job. The interview is the most important step and it is critical that the questions asked are designed to determine the ability of the candidate to provide world class customer service.
 8. **Escalation CSRs...** The effective handling of escalated calls and good service recovery are, for many call centers, the very best opportunity to demonstrate to customers that they want to resolve their call. It is also a good opportunity to show the customer that the organization really cares about their concerns. Based on the fact that escalation CSRs are, in many cases, the last resort for a customer to get their call resolved, it is essential that the call center’s escalation practices achieve high levels of call resolution. It is critical that CSRs are given unfettered access to a support queue of trained escalation CSRs when they need help to resolve a customer’s call. The staffing of the escalation queue should be at a minimum of 1 escalation CSR for every 15 CSRs. The escalation CSR is in addition to the supervisor. Escalation CSRs should be located in a central area so that learnings and trends are consolidated and queuing is
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better managed. Escalation CSR performance should be measured by customer survey feedback of those customers where the CSR was assisted by the escalation CSR or where the call was transferred to the escalation CSR. Escalation CSR performance measurement should include an internal employee satisfaction measure based on the feedback from CSRs that have used the escalation queue to help resolve a customer's call.

9. **Concierge Service...** CSRs assist customers that need to call or contact other departments or organizations for a reference code, more information, authorization, etc. in order to resolve the customer's call. Specifically, the concierge CSR tells the customer that they will call the necessary department or organization either on their behalf or with them on the line, to get the necessary reference code, information, authorization, etc. In most cases, the concierge CSR calls the other department or organization while the customer is also on the phone and a three-way conversation takes place. To the customer, concierge service feels like the organization has taken complete ownership to resolve their inquiry or problem. Also, the call center concierge service creates high levels of FCR and Csat performance because the customer does not have to call or contact third parties, doctor's office, head office, banks, retail stores, etc. Although the call will take longer, when compared to the more common scenario of a customer's issue taking 2 calls to resolve, the additional time spent on the call can be justified. The reason for this is that in many cases the second call is eliminated and therefore the customer is more satisfied because the call was resolved in one call.

 10. **CSR Bonus...** CSRs bonus is based entirely on their VOC metrics such as customer satisfaction and call resolution performance. AHT, QA, productivity, schedule adherence and sales should not be included in the bonus payout. These internal operational metrics can be used as qualifiers for the bonus for those CSRs who are eligible for a VOC bonus payout. 75% to 95% of CSRs should be able to achieve the operational qualifiers in order to be eligible for the bonus payout. It is important to have the vast majority of your CSRs to be eligible for the bonus program. If you make the qualifiers too difficult to achieve, it will have a negative impact on your VOC bonus program. The typical call center bonus payout is approximately \$2,000 per CSR, paid out in quarterly installments with a high concentration (50% to 85%) of CSRs receiving the \$2,000 bonus. Another best practice is to continue to use quarterly payout installments, but to have the CSR bonus payout distribution weighted towards the higher performing CSRs:
 - World class performers (20%) = \$4,000
 - High-level performers (40%) = \$2,000
 - Average performers (30%) = \$1,000
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- Lowest performers (10%) = \$0

The percentage distributions are for a typical call center and equate to an average of \$1,900 in bonus payout per CSR.

*** Call Resolution Family Metrics Definition:**

Calls resolved metric is generally reported out as the percentage of customers who called into the call center and had their call resolved. In some cases, customers had their **call resolved** in one call and in other cases, it may have taken two or more calls to resolve their call. For example, if 1,100,739 customers had their original call resolved and there were 1,294,987 customers who called a call center in a given year, SQM would consider their call center to be performing at the 85% calls resolved performance level.

Calls resolved metric calculation example: # of customers whose original call was resolved (1,100,739) ÷ by the # of customers who called (1,294,987) = 85%

FCR metric is generally reported out as the percentage of customers who called into the call center and had their call resolved on the **first call**. For example, if 869,854 customers had their original call resolved on their first call and there were 1,294,987 customers who called a call center in a given year, SQM would consider their call center to be performing at the 67% FCR performance level.

FCR metric calculation example:

of customers who experienced FCR (869,854) ÷ by the # of customers who called (1,294,987) = 67%

'One and done' metric is generally reported out as the percentage of all calls made to the call center that needed only one call to resolve. For example, if 869,584 calls were resolved in one call and the call center handled 1,869,314 calls annually, SQM would consider their call center to be performing at the 47% 'one and done' performance level.

'One and done' metric calculation example:

of calls that were resolved in one call (869,584) ÷ by the # of total calls (1,869,314) = 47%

About SQM Group

Since 1996, Service Quality Measurement (SQM) Group has been a call center industry leader for improving our clients' operating cost, customer service and retention. We have done this by being operationally excellent at benchmarking, tracking, consulting, awarding and certifying our clients' FCR, Esat and Csat performance. Over 70% of our tracking clients improve their FCR and operating cost year over year. For those clients that have improved they have experienced on average a 5% FCR improvement. For the average call center SQM benchmarks, a 1% improvement in their FCR performance equals \$276,000 in annual operational savings. Some clients have improved their FCR performance by as much as 12% within 30 days of implementing SQM's FCR best practices. Our research also shows that when you improve your FCR, not only do you achieve operational savings, you also reduce customers at risk which is typically a 5-10 times greater savings opportunity than the operational FCR improvement savings.

It is SQM's belief that the call center's main purpose is to resolve customer's calls on the first call and to retain customers in order to maximize and protect the organization's greatest asset - its customers. At SQM, we feel so strongly that the call center's main purpose is to resolve customer's calls on the first call and

to retain their business, that we use SQM's Customer Protection CP SCORE™ for evaluating call center customer service. SQM's CP SCORE™ provides best practices for measuring, tracking, benchmarking, improving and rewarding a call center's performance for their operating costs, customer satisfaction and ability to help retain customers for the organization. As shown in Figure 1, the CP SCORE™ is based on three related metrics (i.e., customer call is resolved, customer is satisfied with call center/customer service representative and customer continues to do business). The CP SCORE™ is based on the ratings of the three related metrics.

Figure 1. CP SCORE™



SQM benchmarks over 400 leading international call centers on an annual basis and has been conducting FCR Csat benchmarking studies since 1996. On an annual basis, SQM conducts over 1 million surveys (over 450,000 live surveys and over 550,000 IVR surveys) with customers who have used a call center, email, website or IVR contact channel service. SQM also conducts over 25,000 surveys yearly with employees who work in call centers. Our customer and employee survey database is one of the largest in North America. SQM does business in 11 countries around the globe: Canada, United States, Argentina, Australia, Puerto Rico, India, Phillipines, Costa Rica, Mexico, Dominican Republic and Jamaica.

SQM awards excellence in service quality for the call center industry. Our awards are based on customers who have used a call center and employees who work in a call center and are considered to be the fairest and most prestigious call center awards in the call center industry. We have recognized top performing call centers for Csats and Esats since 1998. SQM evaluates over 400 leading international call centers each year such as American Express, FedEx, Marriott, Sears, Canadian Tire, US Bank, Wells Fargo, Rogers, Capital One, CitiFinancial, Scotiabank, Discovercard, Blue Cross, etc.

Our post-call surveying methodology continues to be leading edge. SQM conducts live surveys through our own dedicated workforce or use our in-house IVR, web and email survey technology. All post-call survey methods can be integrated into one common database. We can also survey within 5 minutes of the customer's call without having to rely on a transfer into our technology. Our call list management system allows us to accurately deliver a survey quota at a customer representative level or any other survey quota level that is required. To

ensure the quality of our survey data and feedback collection, SQM monitors 100% of our survey calls. The accuracy of each telephone survey representative is individually tracked and must comply with our minimum error rate of less than 1%.

Our reporting is available in real-time via our secure website. Customer representatives and supervisors have direct and secure access to their reports and coaching logs. Analysts have full access to over 60 FCR Csat pre-formatted and easily exported reports with full ability to sort and search the data for ad-hoc reporting. In addition, our reporting capabilities allows the integration of Csat survey and call quality assurance evaluation data.

