How Does Your Contact Center Stack Up?

Companies that benchmark their contact center operations – including first contact resolution rates and other key measurements – can determine how they measure up to their peers while building a business case for needed improvements

Just the Facts: Most contact center leaders continuously strive to improve the operational efficiency and productivity of their organizations. This process includes identifying opportunities to optimize agents' interactions with customers and determining how to boost first-contact resolution rates and other key performance indicators.

But, without a gauge to determine how well or poorly different areas of the contact center are performing relative to competitors and best-in-class companies, it is extremely difficult for decision makers to identify those activities that need either fine-tuning or a complete overhaul. Yet, few organizations attempt to measure critical areas of performance. For example, just 9.9 percent of companies measure the costs and resources required for providing social media support, according to Dimension Data plc.

By assessing contact center operations and determining how they compare with top performers in vital areas such as agent productivity and resource utilization, organizational leaders can identify industry standards, quickly pinpoint areas in need of improvement, and enact action plans before performance gaps affect customer satisfaction and loyalty and negatively impact business performance.

"Benchmarking contact center operations provides companies an independent view of how their operations are executing and how different areas are performing – or underperforming," says Jennifer Waite, Product Marketing Manager at inContact. "With benchmarking, supervisors can back up their gut feelings with data. It helps them pinpoint the nature of a problem area and take action quickly."

How Does Your Organization Rate?

Benchmarking can provide companies with an unbiased perspective for determining the operational effectiveness of different areas of the contact center, including key performance indicators (KPIs): first contact resolution rate (FCR), average length of call, customer satisfaction, etc. The following table from Aberdeen Group illustrates differences in performance between best-in-class companies or top performers, industry average, and laggard companies in critical KPIs such as FCR and customer retention.

Definition of Maturity Class	Mean Class Performance
Best-in-Class: **Top 20%** of aggregate performance scorers	• **91%** customer retention rate • **53%** first contact resolution • **11.9%** average year-over-year improvement in response time to customer requests • **18.8%** year-over-year improvement in company revenue
Industry Average: **Middle 50%** of aggregate performance scorers	• **69%** customer retention rate • **35%** first contact resolution • **7.3%** average year-over-year improvement in response time to customer requests • **5.4%** year-over-year improvement in company revenue
Laggard: **Bottom 30%** of aggregate performance scorers	• **25%** customer retention rate • **12%** first contact resolution • **2.3%** average year-over-year decline in response time to customer requests • **5.4%** year-over-year decline in company revenue

Source: Voice of the Customer, Aberdeen Group, February 2013

Strengthening the Business Case for Investment

Best-in-class companies that differentiate themselves in key performance measurements such as average handle time and first contact resolution are in lockstep on how agents are performing on a day-to-day basis and are able to quickly identify and act on any sudden changes.

— Omer Minkara, Senior Research Analyst, Contact Center & Customer Experience Management, Aberdeen Group

Another key benefit realized from benchmarking contact center operations is that the process provides senior management an independent evaluation of the strengths and weaknesses within a company's contact center operations while shining a spotlight on those areas that require further investment. "Benchmarking can help strengthen the business case for investing in products that can drive improved performance," says Waite.

Jim Dickey, Vice President and Managing Director of Business Intelligence and Simulation at Peppers & Rogers Group, adds that, in many cases, benchmarking can provoke conversations between different stakeholders. "It can help generate new ideas on how to create the next generation of customer support capabilities," he said.

5 Tips for Benchmarking Contact Center Operations

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—**Jim Dickey** *Vice President and Managing Director, Business Intelligence and Simulation, Peppers & Rogers Group*

In order to gain the most from assessing contact center activities, we offer the following tips for getting started.

1. Conduct a self-assessment. Before contact center leaders use a third-party service to measure different aspects of contact center performance, they should first conduct an internal assessment of operations which allows them to review performance levels in different areas (IVR, agent behavior) and identify opportunities for improvement. Quality monitoring tools (to determine whether agents are hitting their key performance indicators or KPIs), and Voice of the Customer and other types of surveys are extremely useful for determining which areas of the contact center are meeting, or missing, customers' needs. Companies can also evaluate the frequency in which the IVR is updated with new features and then measure changes in the percentage of customer calls that are successfully processed. Meanwhile, organizations that continuously monitor customer interactions are able to identify and act on gaps in agent performance, such as an agent who isn't following suggested processes in customer interactions.

2. Define the organization's strategy. Before launching a benchmarking initiative, organizational leaders must align the mission of the study and efforts achieved with the goals of the company. For instance, if a top goal is to improve customer satisfaction by 5 points,

assessing the performance of FCR would make perfect sense. Company leaders should also determine the type of assessment testing to conduct (internal, competitive, industry).

There are benefits to each type of evaluation. An internal assessment, as we described earlier, can help contact center leaders compare historical changes in different areas of performance (average handle time, abandon rates) so that they can then conduct a deep dive if a particular area appears to be underperforming. A competitive benchmark can enable decision makers to determine how the contact center is performing in key areas relative to rivals, while an industry assessment offers a baseline for contact center performance by activity. Conducting competitive and industry evaluations can help contact center leaders identify those areas where the organization appears to be underachieving and justify additional investments for needed improvements.

3. Establish the metrics to be measured. Some KPIs have a greater impact on your business performance than others which makes them more important to evaluate. For example, some high-volume, cost-conscious organizations may value average handle time as a critical KPI. Many customer-focused companies, however, may prioritize first contact resolution. Identify those metrics that matter most to your company and prioritize them in benchmarking tests.
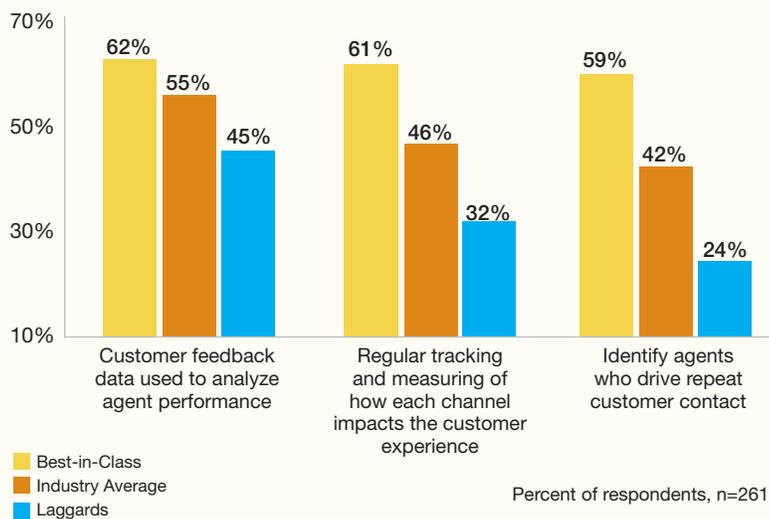
Also, to ensure a fair and accurate comparison of your company against others, establish a standard valuation formula that calculates metrics based on specific criteria. For instance, if average handle time (AHT) is being benchmarked, determine in advance whether it should include hold time and tasks that might follow a customer transaction and how AHT is defined by competitors.

4. Measure often. By measuring discrete areas of performance regularly (daily, weekly, or monthly, depending on organizational requirements), contact center leaders can both validate the data to be used for benchmarking exercises and keep a closer eye on critical areas of performance to quickly identify emerging issues as they arise. Best-in-class companies that differentiate themselves through the use of KPIs such as average handle time, first contact resolution, customer satisfaction, and operational costs "are in lockstep on how agents are performing on a day-to-day basis and are able to quickly identify and act on any sudden changes in KPIs," according to Omer Minkara, Senior Research Analyst for the Contact Center & Customer Experience Management research practice at Aberdeen Group.

A regular, structured schedule of measurement of

Managing Performance for Better Business Results

Top-performing contact centers are far more likely than their peers to continuously measure agent performance through different lenses and then take action when needed.

	Best-in-Class	Industry Average	Laggards
Customer feedback data used to analyze agent performance	62%	55%	45%
Regular tracking and measuring of how each channel impacts the customer experience	61%	46%	32%
Identify agents who drive repeat customer contact	59%	42%	24%

Percent of respondents, n=261

Aberdeen Group, June 2013

1to1® Tips & Takeaways
From Peppers & Rogers Group

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>
> —**Jennifer Waite**
> *Product Marketing Manager at inContact*

operational KPIs such as first contact resolution empowers contact center leaders to identify the company's level of performance in addressing customer satisfaction, close the gaps in agent performance, and pinpoint opportunities for agent coaching. As companies become more experienced at benchmarking, they can measure KPIs by channel or by customer segment to glean additional insights on performance and potential areas for improvement.

The frequency for conducting measurements depends on each company's needs and requirements. In highly-regulated industries such as healthcare and insurance, some aspects of quality compliance – such as customer emails or voice correspondence – may need to be checked hourly. Other measurements, such as cost per contact or call abandonment rates, may be measured daily or weekly.

5. Ensure data integrity. Frequent measurement only adds value if the data measured is accurate and complete. Companies should regularly assess the integrity of their multichannel data and correct it through appropriate technologies and processes, such as data encryption, access controls, and input validations tools. "If the data isn't high quality or timely, you might be looking at the wrong results," says Aberdeen Group's Minkara.

Benchmarking to Bolster Productivity

The following are examples of companies that have leveraged benchmarking to strengthen productivity and adjust their performance targets:

1. Agents for an electronics retailer were forced to toggle between twenty different screens in each interaction with a customer. The lengthy amount of time it took agents to log onto each screen and move between them represented a huge productivity drain which was discovered as a result of a tailored reporting process designed to understand a decrease in customer satisfaction scores. The retailer adopted a change management program to improve its CSAT scores. The retailer was then able to reduce the number of screens used by its agents from twenty to two. As a result, average handle time dropped and both productivity and customer satisfaction increased significantly.
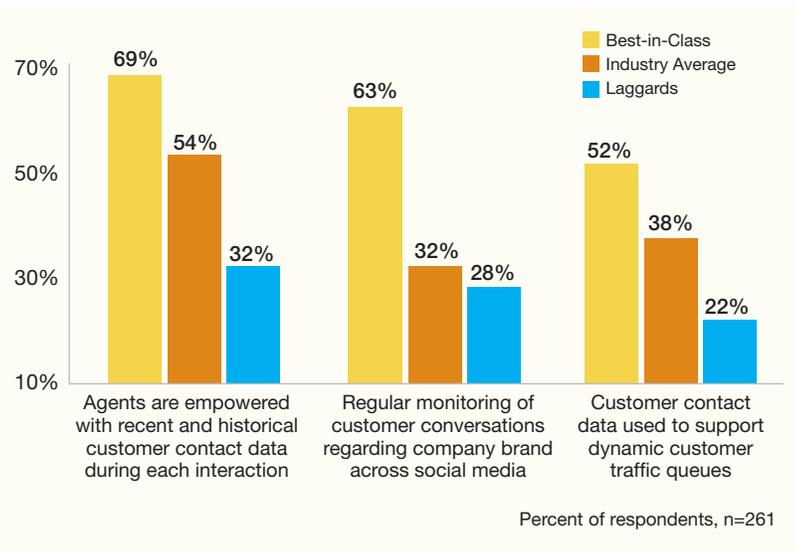
2. A financial services firm compared the performance of its contact center locations against industry standards. This benchmarking effort enabled the company to identify and establish suitable operational levels (e.g., AHT, FCR) and then use those standards as a basis for its contact center improvement planning efforts.

3. A software company applied data from a benchmark study of support desks to modify expectations for first contact resolution rates. The company leveraged the data to illustrate the gaps in its own performance and to gain executive sponsorship for launching` improvement efforts.

4. Another retailer used a combination of benchmarking and business intelligence to identify contact center inefficiencies and the operational and business ramifications of those inefficiencies. Executives for the retailer learned that when customers moved from channel to channel, agents would have to ask repetitive questions that frustrated customers. The discovery led the company to integrate a number of customer systems that enabled agents to gain a much broader and deeper view of customer interactions across various channels. Customer experiences improved along with customer satisfaction ratings.
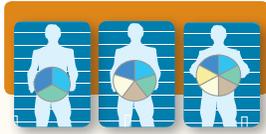
Building Blocks of Superior Performance

One of the biggest benefits of benchmarking contact center operations is that the process can illuminate how best-in-class companies carry out common practices with greater efficiency, productivity, or performance. The following chart from Aberdeen Group's June 2013 Contact Center Optimization study highlights some key differences between best-in-class companies, average firms, and laggards.

Legend: Best-in-Class / Industry Average / Laggards

- Agents are empowered with recent and historical customer contact data during each interaction: 69%, 54%, 32%
- Regular monitoring of customer conversations regarding company brand across social media: 63%, 32%, 28%
- Customer contact data used to support dynamic customer traffic queues: 52%, 38%, 22%

Percent of respondents, n=261

Aberdeen Group, June 2013

Getting Started

Top-Performing Contact Centers Stand Apart

Best-in-class contact centers streamline internal processes and provide agents with recent and historical customer data at the beginning of each interaction to help optimize performance.

Best-in-Class companies in Aberdeen Group's Contact Center Optimization study enjoy the following performance results:

- 84 percent first contact resolution rate
- 14.3 percent average year-over-year improvement in customer satisfaction rate
- 11.7 percent average year-over-year improvement in agent productivity
- 8.2 percent average year-over-year improvement (decrease) in average cost per customer contact
- 7.6 percent average year-over-year improvement (decrease) in average handle time

Source: Contact Center Optimization, Aberdeen Group, June 2013

According to the Aberdeen Group, 65 percent of businesses today are providing customer support through six or more channels. With contact center operations being stretched across the digital landscape, and customer expectations soaring higher than ever, it's absolutely essential for companies to have a yardstick for measuring the operational effectiveness of the contact center. Meanwhile, as senior management continues to keep a close eye on spending, having an independent source to assess contact center operations against competitors and top performers is invaluable for justifying the cost of necessary upgrades to contact center technology.

Free assessment services including those offered by inContact using primary fact-based research data gathered by Aberdeen Group "provide companies the ability to have an independent view of how their contact center operations are performing without having to pay a consultant to do this for you," says Waite.

Benchmarking also enables contact center leaders to identify which technologies may need to be updated. If a company is using an older on-premise contact center platform, it may be necessary to modernize key components, such as an ACD system, to keep pace with customer requirements. Benchmarking identifies these needs.

Once a company has benchmarked its contact center operations, the opportunity exists to learn the metrics most important to its competitors and those that can provide the enterprise with competitive differentiation. For instance, just half of all companies surveyed by Aberdeen Group are using Net Promoter Score™ (NPS®) to measure the willingness of customers to recommend products and services to others signaling that businesses need to be cautious on the metrics they choose to benchmark their performance in order to use the ones that are most effective in gauging their results against peers.

"If you're only measuring your own company, you're missing a big opportunity to get a bigger picture of how your organization compares against others," says Minkara. "When companies are able to compare themselves to other companies using metrics such as NPS and customer satisfaction, a dip in one of these metrics can signal the organization to conduct a root cause analysis to get at the heart of the issue and take action."

After a benchmark assessment has been conducted, organizational leaders should then block out an action plan for areas in need of improvement. "Simply knowing how your organization compares to rivals and best-in-class doesn't bring value," says Dickey. "Benchmarking to drive improvement does."

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inContact helps contact centers around the globe create profitable customer experiences through its powerful portfolio of cloud-based contact center software solutions. The company's services and solutions enable contact centers to operate more efficiently, optimize the cost and quality of every customer interaction, create new pathways to profit, and ensure ongoing customer-centric business improvement and growth.

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