The Principles of Contact Centre Management Personal Certification

Study Guide

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INSIGHTS

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https://www.bradcleveland.com/CCM1

Section 1: The Dynamic Contact Center Profession

1.1 The Definition of a Contact Center

The International Customer Management Institute (ICMI) defines contact center management as:

the art of having the right number of properly skilled people
and supporting resources in place at the right times
to handle an accurately forecasted workload,
at service level and with quality.

This definition can be summarized with two major objectives:

1) get the right resources in place at the right times, and
2) do the right things.

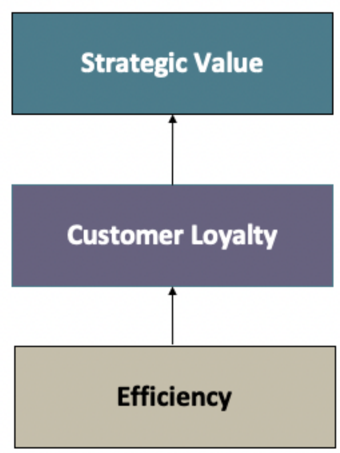
1.2 Three Levels of Value

Contact centers have the potential to create value on three levels:

Level 1: Efficiency

Examples:

Accurate workload forecasts and schedules
Good quality that prevents rework
Effective self-service systems



Level 2: Customer Satisfaction and Loyalty

Effective service improves loyalty:

89% of customers who had no problems were likely to return
94% of customers who had problems, but were then resolved, were likely to return
Findings by Marriott

Level 3: Strategic Value

A practical way to identify these opportunities:

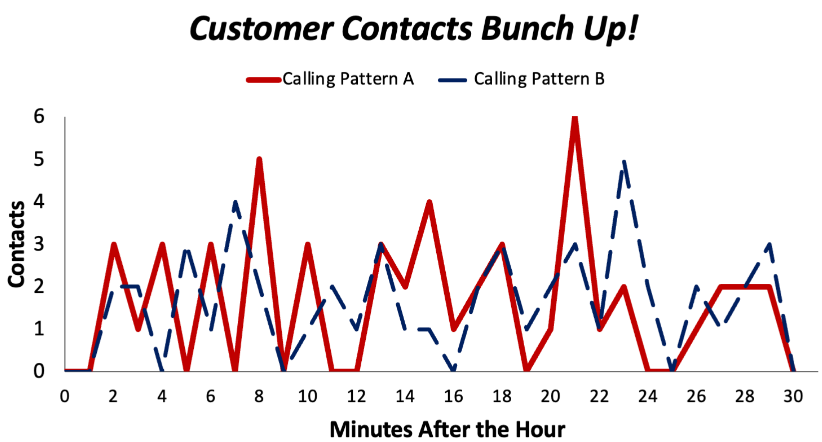
Build a cross-functional team to analyze the reasons for service interactions
Graph the frequency of top drivers to discover trends
Act on what you're learning

Section 2: The Planning and Management Process

2.1 Three Driving Forces in the Contact Center

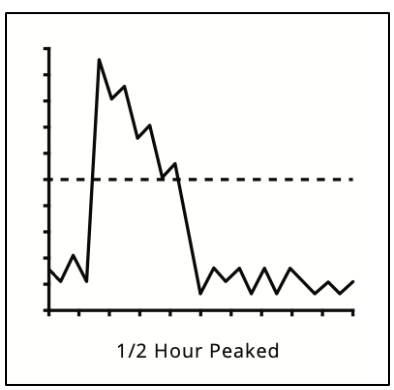
1. Random workload arrival

The most common workload arrival type for contact centers is random arrival.



Exactly when contacts arrive from moment to moment is the result of decisions made by customers who are motivated by myriad individual needs and conditions. Put another way, contacts bunch up!

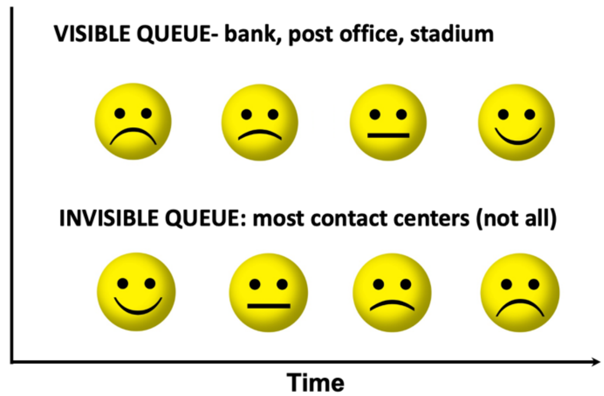
Some contact centers also experience peaked arrival.



Many of us use the term "peak" in a general sense when referring to busy times of the day or year. But the term "peaked traffic" specifically refers to a surge of customer workload beyond random variation. It is a spike within a short period of time.

2. The visible or invisible queue

In contact centers, the wait time for queues can be visible or invisible to customers.



When customers hear estimated wait times while on hold, they experience a visible queue (top row of faces). As customers progress through a visible queue, their emotional state improves as they know that help is coming soon.

The second row of faces represents an invisible queue, where customers are unaware of the length of the queue they are entering. Customers in an invisible queue experience greater frustration the longer they wait.

3. Seven factors of customer tolerance

These seven factors of customer tolerance influence how long customers will wait in queue, how many will abandon, whether they will try alternative channels, and how they feel about the overall experience (based on the expectations they had).

1. Degree of motivation
2. Availability of substitutes
3. Competition's service level
4. Level of expectations
5. Time available
6. Who's paying for the contact?
7. Human behavior

2.2 The Planning and Management Process

To deliver consistently high levels of service, you will need a systematic planning and management process, which can be summarized in nine steps:

2.3 Step 1: Choose Service Level and Response Time Objectives

Accessibility objectives for two major types of interactions:

1. Those that must be handled right away: Service level objective
   X% answered in Y seconds
   Example: 80/20 (80% answered in 20 seconds)
2. Those that can be handled at a later time (deferred): Response time objective
   100% handled in N hours/days
   Example: Within 4 hours

2.4 Step 2: Collect Data

The information necessary for effective planning and management comes from many different places. In addition to historical customer workload data, you will need data on what marketing is doing, how customer preferences are changing, competitive activity that may have an impact on workload, developments in the economy, and so on.

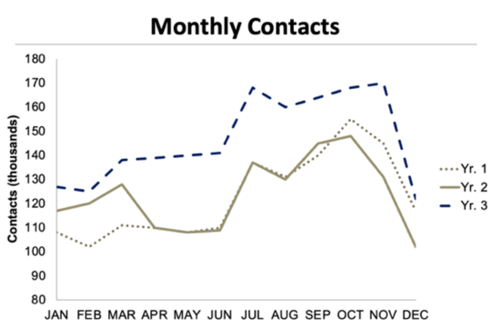
2.5 Step 3: Forecast the Workload

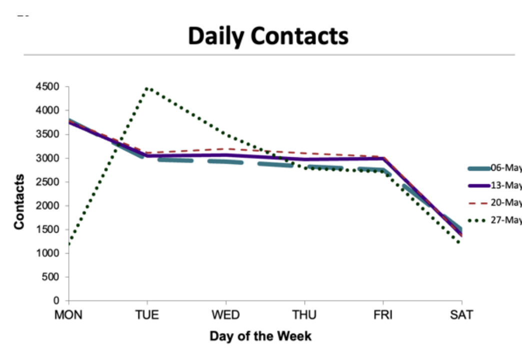
A good forecast accurately predicts the number and nature of contacts and expected handling times for future time periods. Forecasts should include all channels—phone, email, chat, social media, video, text, and others. Your plans should also account for any related work that will require contact center resources.

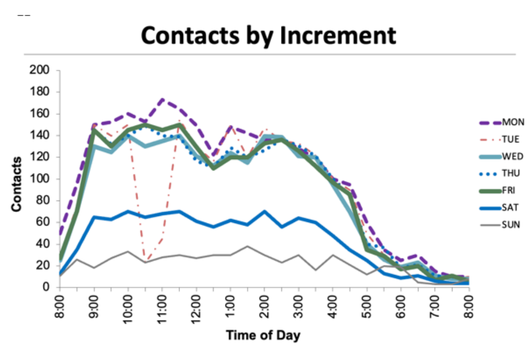
The basic historical data you need to forecast for an agent group includes how many contacts you have received in the past, when they arrived and how long they took to handle. Four key terms reflect this activity:

- Talk time: The time customers are connected with agents. Anything that happens during talk time—such as putting the customer on hold to confer with a supervisor, research an issue or make an outbound call—should be included in this measurement.
- After-call work (also referred to as ACW, wrap-up or not ready): The time agents spend completing contacts after saying goodbye to customers. After-call work should immediately follow talk time.
- Average handling time (AHT): The average talk time plus the average after-call work.
- Call load: The volume of contacts coupled with how long they last. The formula is: volume × average handling time, for a given period of time.

Repeating patterns: Virtually all centers handling customer-initiated contacts notice at least three dominant patterns.







2.6 Steps 4 and 5: Calculate Base Staff and System Resources

Calculating base staff requires different approaches for the two major types of interactions:

1. Those that can be handled at a later time (response time contacts)
   Use standard units of output approach
2. Those that must be handled right away (service level contacts)
   Use Erlang C or computer simulation

Staffing for Response Time Contacts

Calculating staff requirements for response time contacts—workload that does not have to be handled at the time it arrives—is typically based on the centuries-old "units of output" approach.

Basic Formula: $$\frac{\text{Volume}}{\text{RT} \div \text{AHT}} = \text{Agents}$$

KEY: Volume = Number of contacts
RT = Response time
AHT = Average handling time

Staffing for Service Level Contacts

Staffing for service level contacts is typically calculated using the Erlang C formula, which is built into virtually all of the commercially available workforce management software packages. Erlang C can predict the resources required to keep waiting times within targeted limits. To use, it requires the input of four variables for each interval (typically each half-hour):

Average talk time
Average after-call work
Volume of customer contacts
Service level in seconds

Base Staff Calculations
Source: Customer Queue Calculator

Input:
Average talk time in seconds = **180**
Average after call work (wrap up) in seconds = **30**
Contacts per half hour = **250**
Service level objective in seconds = **20**

Output:

Agents	ASA	SL	Occ	TKLD
30	208.7	23.5%	97%	54.0
31	74.7	45.2%	94%	35.4
32	37.6	61.3%	91%	30.2
33	21.3	73.0%	88%	28.0
34	12.7	81.5%	86%	26.8
35	7.8	87.5%	83%	26.1
36	4.9	91.7%	81%	25.7
37	3.1	94.6%	79%	25.4
38	1.9	96.5%	77%	25.3
39	1.2	97.8%	75%	25.2
40	0.7	98.6%	73%	25.1

2.7 Three Immutable Laws

1. For a given workload, when service level goes up, occupancy goes down.

Occupancy is the percentage of time during an interval that agents who are signed in and handling the workload are *actually handling* contacts. The inverse of occupancy is the time that agents are waiting to handle contacts.

As the table illustrates, a service level of 80 percent of contacts answered in 20 seconds (82/20 in this scenario) equates to an occupancy of 86 percent for that workload. If service level drops to 24 percent answered in 20 seconds, occupancy goes up to 97 percent. When service level goes up, occupancy goes down.

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35	7.8	87.5%	83%	26.1
36	4.9	91.7%	81%	25.7
37	3.1	94.6%	79%	25.4
38	1.9	96.5%	77%	25.3
39	1.2	97.8%	75%	25.2
40	0.7	98.6%	73%	25.1

As any agent knows, periods of high occupancy are stressful. Studies suggest that agents begin to burn out around 90 percent occupancy if the condition lasts for an extended time, such as several half hours in a row.

2. Keep improving service level and you will reach a point of diminishing returns.

The Law of Diminishing Returns can be illustrated with the above Erlang C staffing table. It shows that 30 agents at the given call load will provide a service level of 24 percent in 20 seconds. With 31 agents, things improve dramatically, as service level jumps to 45 percent. Adding one more person yields another big improvement. In fact, adding only four or five people takes service level from the depths to something respectable. This clearly illustrates what is commonly called "The Power of One" – the ability of just one additional agent to decrease wait times for customers.

Once service level is more respectable, however, adding additional staff does not make as much of a difference. But when service level is low, the power of each additional agent to improve service is significant.

3. All other things being equal, pooled groups are more efficient than specialized groups. The Powerful Pooling Principle is a mathematical fact: any movement in the direction of consolidation of resources will result in improved traffic-carrying efficiency. Conversely, any movement away from consolidation of resources will result in reduced traffic-carrying efficiency. Put more simply, if you take several small, specialized agent groups, and effectively cross-train them and put them into a single group, you'll have a more efficient environment.

The Dynamics of Size and Pooling

Scenario

Talk: 180 seconds
After-call work: 30 seconds
Service level: 80% in 20 seconds

Contacts	Agents	Occupancy	Contacts / Agent
50	9	65%	5.6
100	15	78%	6.7
1000	124	94%	8.1

This table compares service level to group size. Fifteen agents are required to provide a service level of 80/20 for 100 customer contacts. But only 124 agents, not 150, are necessary to handle a load 10 times as large (1000 contacts).

2.8 Step 6: Calculate Shrinkage

Once staffing requirements for customer workloads have been determined, other activities that will keep agents from handling contacts must be considered, such as breaks, training, absenteeism, and others.

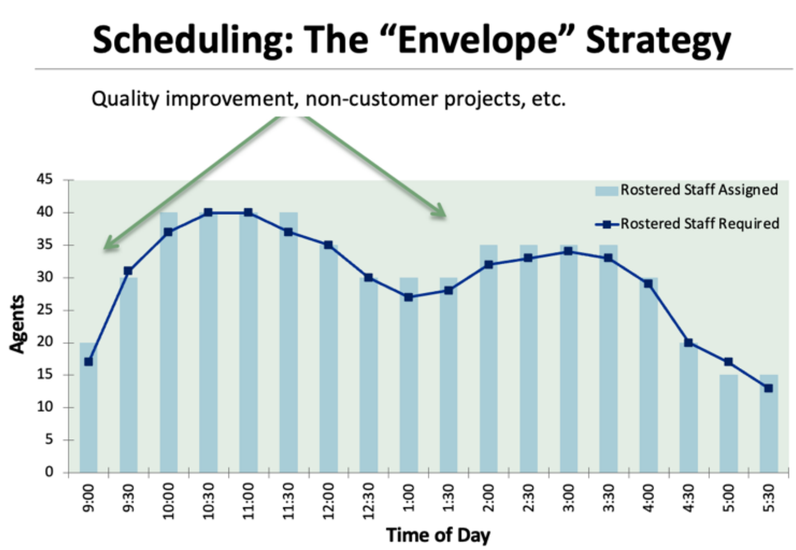
Rostered staff factor (RSF) is a numerical factor that leads to the minimum scheduled staff needed over and above the base staff required to achieve your service level and response time objectives. It is calculated after base staffing is determined and before schedules are organized.

	Base Staff Required	Absent	Break	Training	On Schedule	Rostered Staff Factor
8:00 - 8:30	28	3	0	4	35	1.25
8:30 - 9:00	30	3	0	4	37	1.23
9:00 - 9:30	37	3	4	4	48	1.30

$$\textbf{Rostered Staff Factor} = \frac{\text{On Schedule}}{\text{Base Staff Required}}$$

2.9 Step 7: Organize Schedules

Schedules are plans that specify who needs to be where and when. They should result in getting the right people in the right places at the right times.



2.10 Steps 8 and 9: Calculate Costs and Repeat for Higher and Lower Levels of Service

Step 8 projects costs for the resources required to meet service and quality objectives and step 9 involves preparing budgets around different levels of service. This understanding of cost trade-offs is of great value in budgeting decisions.

2.11 Real-Time Management

Even the most accurate contact center planning must be augmented by effective real-time management: monitoring events as they happen and making adjustments as necessary. Real-time management should complement planning. After the planning is done, real-time management is the moment-by-moment decisions and actions that enable you to maintain an appropriate service level and response time. Effective real-time management includes the following.

Establish a cultural foundation

Real-time management is often viewed in terms of tiers of response and escalation plans. These are important, but there are principles that, when better understood by your team, will help them be prepared to respond to changing. These include understanding the impact of each person, consistency of service, agent empowerment, and others.

Maintain quality standards

One very important principle is the complementary relationship between service level and quality. Poor quality will force a negative impact on service level in the long term—by contributing to repeat and escalated contacts, duplicate or parallel contacts, and other forms of waste and rework. So, the emphasis should be on handling each contact cleanly and correctly, regardless of how backed up the queue is.

Develop tiers of response

Before a crisis occurs, define a workable escalation plan and be prepared to take action. Most contact centers use a tiered approach. They prioritize actions into different levels and define when each should be implemented.

Level 1

The first level of action involves routine, common-sense adjustments that enable you to get the contacts handled. Agent status becomes the focus, and is generally directed toward people on the floor who are not currently handling contacts. At this level, agents make routine adjustments to work priorities. Flexible tasks are postponed. If you have agents handling contacts that are not as time-sensitive as service level contacts—such as email, outbound calls, or data entry—they can be temporarily re-assigned. You might also automatically overflow contacts to agents in other groups (who are, of course, trained to handle those specific types of contacts).

Level 2 and Beyond

If the workload still outpaces the staff required to handle it, the contact center can move on to more significant real-time alternatives. For example, some centers take messages for a later callback, a capability that is greatly facilitated by virtual queue technologies. Other Level-2 tactics include calling in a SWAT team or bringing in agents who are on reserve, routing some contacts to outsource partners, or adjusting the placement and timing of system announcements.

Keep customers informed

Keeping customers informed can foster understanding, decrease frustration and encourage customers to wait longer or seek self-service alternatives. System announcements can be helpful, such as: "Due to the snowstorm hitting the East Coast, we are operating with fewer of our associates than normal. We apologize for the delay and will be with you just as soon as possible. Thank you for your patience." This tactic will backfire if it's overused or stretches the truth.

Some centers also give customers the ability to check the status of an order, find specific product information, or hear answers to commonly asked questions while they wait, without losing their place in the queue.

Monitor real-time developments

It is important to monitor developments and identify trends as early as possible. The key is to react appropriately to evolving conditions. Random contact arrival means that, at times, it will look like you are falling behind even though you are staffed appropriately. But if you are experiencing a genuine trend, you need to move quickly. Time is of the essence.

Focus on real-time reports in this order:

1. Number of contacts in queue
2. Longest current wait (oldest contact)
3. Service level/average speed of answer
4. Agent status
5. Based on what you are seeing, implement escalation plans and take action.

Section 3: Quality and Performance

3.1 Ten Customer Expectations

Contact centers enable organizations to meet customer expectations—to be there when needed and with the services needed. After researching this issue for nearly three decades, ICMI has found ten customer expectations that consistently emerge. These customer expectations have not fundamentally changed, but what each expectation means continues to evolve over time.

1. Be accessible
2. Treat me courteously
3. Be responsive to what I need and want
4. Do what needs to be done promptly
5. Provide well-trained and informed employees
6. Tell me what to expect
7. Meet your commitments and keep your promises
8. Do it right the first time
9. Follow up
10. Be socially responsible and ethical

Anticipating customer expectations is essential to developing effective services. The experiences that customers have with any organization—not just yours or others in your industry—shape their perceptions. In fact, customer expectations ultimately define what good service means. Truly understanding your customers can help you stand out in an environment that evolves every day.

3.2 The Relationship of Quality and Service Level

Quality and service level are complementary to each other. As service level deteriorates so does the quality of customer interactions. When service level is low, agents are working one interaction after another due to congestion in the queue. Customers begin telling them in no uncertain terms about the tough time they had getting through. Under this kind of pressure, any of us are bound to make more mistakes. Quality deteriorates.

When quality suffers, so do service levels. Errors contribute to repeat contacts and time spent on things that would otherwise be unnecessary. The additional repeat contacts and higher handling times create higher than expected customer contact workload leading to lower service levels.

By looking at these relationships in this way, you can quickly dispel the notion that accessibility and quality must be "balanced." No ... they *work together*!

3.3 Seven Key Metrics

There are seven categories of measures that every contact center should have. I recommend you view them as building blocks, from the most tactical to the most strategic.

Forecast accuracy

If you don't have an accurate prediction of the workload coming your way, it's almost impossible to deliver efficient, consistent service and achieve high levels of customer satisfaction. That's true for any channel—phone, chat, social media, and others.

Adherence to schedule

If you have a good handle on the workload, you can build accurate schedules that ensure the right people are in the right places at the right times. This is best managed from the bottom up, with ample buy-in from agents, and it is an important enabler to everything else you're trying to accomplish.

Service level / response time

These objectives are really just outcomes—the result of forecasting the workload and matching it with the right resources. If customer contacts don't get to the right places at the right times, little else good can happen. Establishing service level and response time objectives is key to ensuring that the organization is accessible wherever and whenever customers choose to interact.

Quality / first contact resolution

Quality is the link between contact-by-contact activities and the organization's most important objectives. First-contact resolution is essentially an extension of quality—a tangible result of getting quality right. Quality measures should be applied to every type of customer interaction.

Employee satisfaction

Employee satisfaction strongly impacts customer experience, and it is an essential measure in any environment. Agent engagement often has a definable, positive correlation with retention, productivity, and quality.

Customer satisfaction / loyalty

Customer satisfaction is essential in all environments. It has the greatest value as a relative measure and in conjunction with other metrics (e.g., what impact do changes in policies, services and processes have on customer satisfaction?). Customer loyalty is usually viewed through the totality of the customer's relationship with the business.

Many successful leaders establish an overall metric that reflects customer experience. There are several common methods you can choose from when establishing an overall customer experience KPI.

Customer Satisfaction (CSAT)

Surveys that measure customer satisfaction, or "CSAT" as it's sometimes called, are one common approach. They are based on variations of the question "How satisfied are you?" or "How would you rate your experience?"

Net Promoter Score (NPS)

Net promoter score (NPS) is another popular approach, and it's based on the survey question "How likely is it that you will recommend us to others?" Input is provided on a ten-point scale, with 10 being very likely to recommend. In calculating the score, 9s and 10s are considered to be promoters, 7s and 8s are neutral and 6s and below are detractors.

Customer Effort Score (CES)

Customer effort score (CES) is based on the question "How easy was it to resolve your issue?" Responses are captured on a seven-point scale—7 being very easy.

Strategic value

What contributions does the contact center make to product innovations, revenue, marketing initiatives, and other business objectives? Strategic measures are often focused on examples of impact in these and related areas, fueled by listening, engaging, and learning from customer interactions.

These seven areas of focus should be in place in any contact center. In many cases, two or three (or sometimes more) are missing or not strongly established, so this is an area of opportunity for many organizations.

3.4 Individual Performance Measures

Establishing adherence to schedule and quality as primary areas of focus enables agents to concentrate on the two things they can control: being in the right place at the right times and doing the right things. Adherence and quality make a powerful pair. When in place, other measures—average handling time, number of contacts handled, percentage of time spent in talk or after-call work, and others—take care of themselves.

Adherence to schedule

Adherence to schedule is a measure of how much time during an agent's shift he or she is handling contacts or is available to handle contacts. If adherence is expected to be 90 percent, each agent should be handling or available to handle contacts .90 × 60 minutes, or 54 minutes per scheduled hour (on average).

Adherence is based on the time, during an agent's scheduled shift, that is spent in talk time, after-call work, waiting for contacts to arrive, and anything else (e.g., talking to someone in another department) associated with the contacts themselves. Lunch, breaks, training, work on assigned projects and other activities are factored out of the calculation, as the agent is not expected to be handling (or be available to handle) contacts during those times. Agents cannot control how many contacts are coming in, but they can be in the right place at the right times.

Quality

When well-defined, quality standards and processes provide the essential parameters to keep contact-handling as focused (as efficient and effective) as possible.

The cornerstone of an effective quality observation process is documenting specific, observable behaviors and tailoring coaching accordingly. There are many types of forms and evaluation methods, and many possible scoring methods.
An effective way to consider performance (quality) standards is to categorize them as either "foundation" or "finesse."

> Foundation standards measure *whether* something was done, and can be assessed with a simple yes or no. For example, the agent uses their name in the greeting. They verify the customer's identification. They use spellcheck in written communication. They code the contact correctly. Yes or no—these things either happened or they didn't. Foundation standards are objective, consistent, and accomplished the same way by every agent. They are, as a rule, easy to understand and easy to score.

Finesse standards, on the other hand, measure *how* something was done. They are more subjective, allow for style and individuality, and require interpretation. For example, the agent listens carefully and effectively prompts relevant input. They demonstrate professional courtesy. They upsell or cross-sell appropriately. They guide the customer to convenient online resources. They capture needed and useful information for product, process, or service improvements. These standards require clear guidance on what is expected, but performance is along a continuum.

3.5 Strategic Coaching

When effective, coaching is something your agents will want and will look forward to. And in the most-engaged teams, there are five essential ingredients.

First, coaching is a relationship, NOT an event. The best coaches build relationships of trust, respect, and accountability. They help clarify goals, serve as role models, and provide positive reinforcement.

Second, coaching has far more impact when it's supported by clear quality standards. Your standards should be understood and interpreted consistently. And this works in both directions; quality standards guide coaching, and coaching, in turn, helps your employees consistently deliver services that reflect your standards.

Third, all of your coaches should use a proven coaching model. There are many to choose from that use a simple framework that can be remembered easily and applied consistently.

Fourth, effective coaching focuses on the toughest and most important challenges. Organizations that do a great job with these challenges create scenarios and role plays. You won't be able to anticipate or train on every unique issue that comes along, so your employees will need to know how to make good decisions. That takes practice.

Finally, approach training, coaching, and performance standards as opportunities to empower your agents to coach themselves. Self-coaching is the talk each person has with himself or herself as service is delivered day by day and moment by moment. For self-coaching to be effective, each person should have a deep understanding of the organization's mission, values, and quality standards. They must also be empowered to make good, in-the-moment decisions.

Authors

Brad Cleveland is recognized globally for his contributions to customer strategy and management. He has worked across 45 U.S. states and in over 60 countries, with clients such as American Express, Apple, USAA, and Google, as well as non-profits and governments at federal and state levels. He has appeared in media ranging from *The Wall Street Journal* to *The New York Times* and is author of ten books, including *Contact Center Management on Fast Forward* (4th edition, 2019) and *Leading the Customer Experience* (1st edition, 2021), which received the NYC Big Book Distinguished Favorite award. Brad was a founding partner of the International Customer Management Institute (ICMI). He and his wife Kirsten divide their time between Sun Valley, ID and San Diego, CA.

Debbie Harne has 25 years of experience in learning and development. She served as Director of Educational Services at the International Customer Management Institute for over a decade. Through this role, she led in the creation and support of training and certification programs for organizations ranging from entrepreneurial startups to national governments and multinational corporations. Debbie helped to pioneer some of the first distance learning programs in the customer service field. She has since advised a wide range of organizations in educational design and development. Debbie and her family live in Houston, where her husband serves on the leadership team of a university.