



Think Strategic: Workforce Optimization – Get it Working for Your Organization

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Introduction

Over the past few years there has been a great deal of focus and discussion on the operational benefits of a Workforce Optimization (WFO) solution and how it can improve the efficiency of a contact center, but little, if any, discussion of the benefits derived from its inclusion in strategic planning and execution. Leveraging WFO in the strategic planning process can significantly increase your organization's competitive advantage and profitability through:

- An improved customer experience
- Increased customer loyalty
- Greater employee satisfaction
- Decreased operational costs
- More effective marketing campaigns
- Better products

This paper examines three major elements of WFO: Analytics, Quality Management and Workforce Management, and discusses how and where to incorporate them into your strategic plan. However, before we start, let's ensure we're all on the same page and look at a couple of definitions.

Business Improvement Architects defines Strategic Thinking as:

“A planning process that applies innovation, strategic planning and operational planning to develop business strategies that have a greater chance for success.”¹

I found several definitions for workforce optimization and, for the purposes of this paper, and selected the following from TMCnet:

“Workforce optimization helps companies improve the efficiency and effectiveness of their customer interactions through solutions that capture interactions across all channels, analyze to reveal insights, and drive actions that impact business results and the customer experience. Workforce optimization solutions include capabilities for call recording, agent evaluation and coaching, performance management, forecasting and scheduling, interaction analytics and feedback surveys. These capabilities are applied in solutions that enable businesses to harness the data from customer interactions to increase efficiency, improve sales efforts and ultimately improve client experience.”²

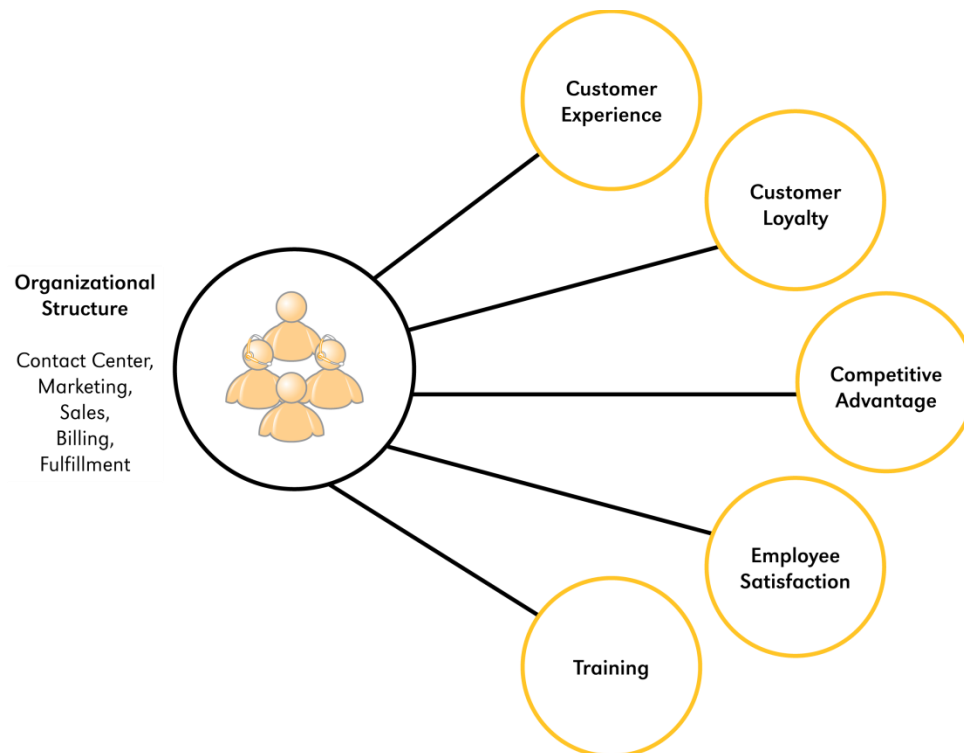
¹ Business Improvement Architects, <http://www.bia.ca/strategic-thinking-process.htm>

² TMCnet, <http://www.tmcnet.com/channels/workforce-optimization>

Analytics and quality management

Possibly the most powerful strategic weapons in the WFO arsenal are the combination of analytics and quality management. Analytics has the power to cut through organizational silos (e.g. contact center, marketing, sales, billing, fulfillment) and bring the entire customer experience into focus. Analytics creates an opportunity to apply quality management across the organization — not just to the contact center and its agents. With analytics, data that previously was near impossible to access, is now not only available to us, but available and accessible in real-time.

Let's look at the key areas where analytics and quality management bring significant benefits and how your organization can realize these benefits.



Customer experience

With the advent of speech analytics, we now have the ability to slice and dice interactions using key words and phrases. In the hundreds of interactions our agents take daily, we can identify and examine those with specific characteristics.

We can assess conversations holistically — trending negative and positive sentiment. Customer sentiment can be measured for the company as a whole, by department, by supervisor, and by agent, facilitating a “health check” at all levels.

We can dig deeper by reviewing the actual content of those conversations to uncover the root cause of a customer issue. Where root cause is determined to be a product or a fulfillment issue, a feedback loop can be created. The product and fulfillment teams are alerted, given specific details as to the nature of the issue, and are provided an opportunity to address it.

There are two very important changes here: speed of identification, and the level of detail regarding the nature of the issue. In prior years, an issue had to be very large to be “spotted” and then agents were solicited to gather details. With speech analytics, an issue can be identified sooner and interactions can be selectively pulled to gather the details.

Speech analytics allow us to respond to events in “real-time” — addressing customer issues or concerns before they have a chance to evolve into true discontent, and that discontent is then shared with others. Your organization can have a strategic plan to proactively address customer issues — to choose to “auto-escalate” issues — with alerts and actions triggered when certain conditions are met and an interaction flagged.

Back at the contact center and at the agent level, quality management kicks into high gear as they move from monitoring random conversations to targeting conversations with specific attributes for review and scoring.

In addition, with all agent interactions being analyzed and overall sentiment measured — the percentage of interactions that display positive customer sentiment and/or negative customer sentiment can contribute to and form part of the assessment process.

Analytics is a game changer. The opportunity to become more agile, more responsive and to significantly improve the customer experience, clearly presents itself.

Customer loyalty

Shifting the Loyalty Curve. I recently read this most interesting excerpt from the Sales, Marketing and Communications Practice, Customer Contact Council®. The focus of their paper is what makes customers more loyal, in which case they provide a clear differentiation between “loyalty” and “satisfaction.”

The results of their in-depth research revealed a surprising gap between customer satisfaction and customer loyalty. “Soft skills have the greatest impact on delivering customer satisfaction, but reducing customer effort had the greatest impact on increasing loyalty.”

This was shown true to such a degree that even “very satisfied” customers defected where their effort exceeded their threshold. The paper showed 96% of customers who put forth high effort to resolve their issues were “disloyal” compared to 9% with low effort.

“The Council also concludes that compared to NPS®, an effort-based measure is better suited for the service channel. Effort is not only a better financial predictor, but it is also more relevant, as it is the best indicator of loyalty.”³

So, if customer effort is a major driver for customer disloyalty, how and what can an organization do to reduce effort?

³ https://ccc.executiveboard.com/Public/Shifting_the_Loyalty_Curve%28B2C%29.pdf

Let's start with IVRs and caller menus. If a first impression is a lasting one, our IVRs certainly aren't getting the relationship off to a good start. IVRs and caller menus have often been designed (painfully so) to identify why someone is calling so that we can gather metrics and identify their reason for contacting us. In our attempts to gather metrics, the customer is often forced to jump through hoops and navigate through a variety of menus.

Speech analytics paves the way to reducing the hoops by relying on phrase spotting to produce those same metrics thereby improving the customer experience right from the get go.

Beyond the IVR/caller menus, the quality management team can again pave the way to reduced customer effort by improving First Contact Resolution (FCR). Focusing on interactions with key phrases like "cancel my account," "last time I called," "last week" and other similar phrases can not only uncover what is impeding FCR, but assist in the identification of actions required to remove the impediment.

Competitive advantage

Overall, we can see that if the following objectives are achieved, your organization will have greater success at differentiating yourselves and creating a competitive advantage:

- Improved customer experience
- Increased customer loyalty
- Greater employee satisfaction
- Decreased operational costs
- More effective marketing campaigns; and
- Better products

In addition, analytics can assist with gathering business intelligence and measuring how your organization stacks up against your competitors. Using phrase spotting, you can assess how many times your competitors are being mentioned in your agent's day-to-day interactions, and trend that information over time and against specific marketing campaigns and initiatives.

Whether it is identifying weaknesses in the agent training programs, recommending a system enhancement, passing on product suggestions; quality management can identify fulfillment issues/concerns, or provide real-time feedback to marketing/sales so they can tailor or modify a marketing campaign. Also, QM now has the capability to provide insight and feedback on the overall customer experience company-wide.

With analytics, the approach to quality can be systematic. By using the number of times a phrase is showing up in a conversation, you can observe how it is trending. In terms of strategic planning, this means your organization will now have the capability to measure and monitor the success of various initiatives and improve operational processes. For example, your organization adopts a new fulfillment strategy based on feedback gathered from customer complaints captured through speech analytics. Using trending, your organization can observe whether the number of complaints drop, and also identify any issues with the new process by having the QM team selectively listen to calls regarding fulfillment.

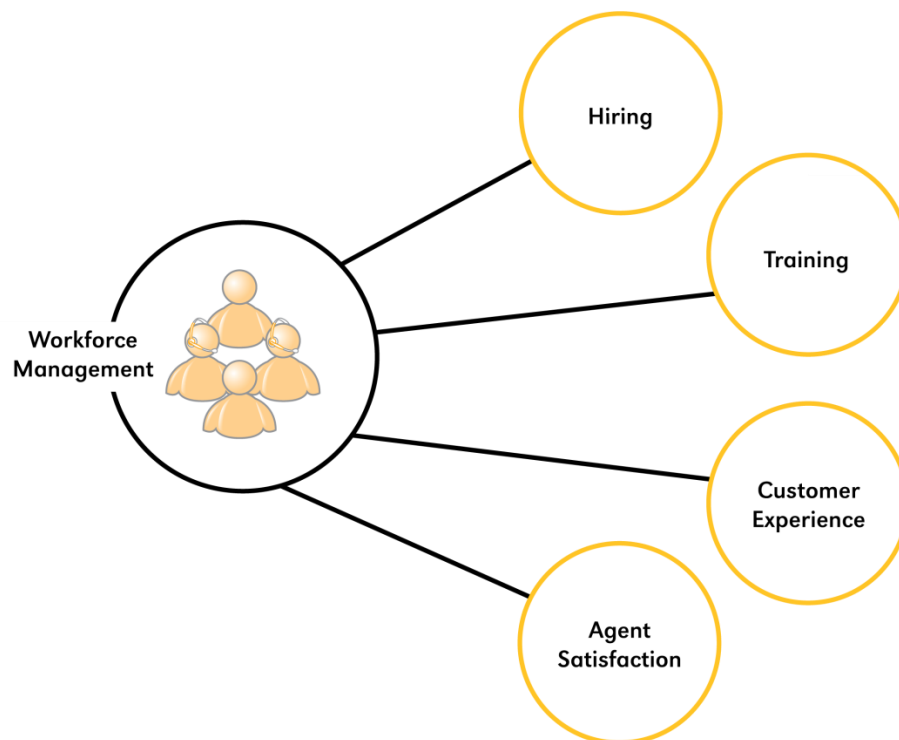
Workforce management

Workforce management (WFM) is a set of tools, practices and people that manages your contact center’s largest operating expenditure (employees) and is central to your organization’s profitability.

Many organizations view WFM as the “scheduling team” — a very tactical but necessary part of running the contact center. Some may use it in a limited planning aspect for forecasting resource requirements for the month or year. However, few will actually realize the full potential of workforce management and truly know how to harness it.

I’d wager every company that fully utilized a WFM solution has increased profitability as part of its strategic objectives, and that translates to either increased revenues, decreased operational costs, or both. With 65% to 70% of a call center’s total operating costs related to staffing⁴, it is not surprising that the resourcing decisions determined by the workforce management team are vital to an organization’s profitability. The strategic value of those WFM decisions becomes magnified when you look at the many other areas they influence.

So let’s take a look at what influences, and what is influenced, by your contact center staffing. Some will be obvious, others, perhaps not so much.



⁴ The Call Center School, <http://www.thecallcenterschool.com/wp-content/uploads/2010/10/Call-Center-Staffing-Evaluations.pdf>

Hiring plan

Your workforce management team needs to drive the resourcing plan. They need to assess the probability of any forecast, risks associated with it, and options to mitigate. They will also need to provide the final recommendations on who to hire (full-time, part-time, temps), when to hire, and even whether to consider outsourcing.

Resourcing a contact center is more than just hiring agents. It includes hiring all or some of the following: VP, directors, managers/supervisors, trainers, HR, payroll, facilities and IT/desktop support personnel.

In the hiring cycle alone, with advertising, reviewing candidate submissions, interviews and offers, the cost of recruitment can be significant.

Determining whether to hire full-time, part-time or temporary agents needs to be weighed against the use of overtime and extra hours to meet workload demand.

As strategic planning starts to include expanding customer and partner channels of access (chats, emails, social media), forecasting demand becomes more challenging as little or no history exists for these new channels. Your WFM team is now faced with not only trying to forecast the frequency of contacts but the channel (and associated handle times).

An excellent webinar by Bay Bridge Decisions, “Forecasting and Planning with Significant Uncertainty and Planning for Unseen Events,”⁵ discusses this subject in detail and is definitely worth the watch.

Training and development

Agent training and development starts shortly after hire. Depending on the organization, it may take up to six weeks, or more, to fully train an agent. For organizations where training is in excess of one week, training represents a significant investment in an unrealized asset. From a strategic perspective, managing the investment risk and increasing agent satisfaction and retention through a plan of progressive training and development means spreading the training over time. An approach such as this often makes the most sense.

This brings us to the push/pull relationship between workforce management and training. The WFM team wants all training to occur before the agent hits the floor to minimize schedule shrinkage. On the other hand, the WFM team also wants the agent to have “mastered” the customer interactions so their average handle time is in alignment with their peers. This will ensure that a new agent isn’t impacting the availability of the others around them with “how to” questions. Of course, the sooner an agent can take interactions, the better.

⁵ Bay Bridge Decision Technologies. Three-part Webinar Series: Forecasting, Planning, and Analysis for Complex Contact Center Operations. December 2012 (archived). <https://event.on24.com/eventRegistration/EventLobbyServlet?target=registration.jsp&eventId=304578&sessionId=1&key=7AD3D7130BAA2CF4C2D4767784530D44&partnerref=tmclanding&sourcepage=register>

Where extensive training is required, the training may need to be modularized so agents hit the floor sooner, get real-time experience, and come back for additional training when they've mastered what they've learned. This means WFM teams have to develop hiring, training, and scheduling strategies that take into account agents being "off-queue" for extended periods of time during their first 3-6 months of hire.

Somewhere in the discussions, the delivery mechanism: classroom, e-learning, team meeting, side-by-side training etc. will need to come into play to provide the flexibility necessary to meet organizational goals and employee development needs. Your workforce management team can provide valuable guidance by assessing the impacts to service levels, staffing, and the customer experience.

Customer satisfaction

WFM is responsible for ensuring that the right agent is in the right place, at the right time — and to do so in the most cost-effective manner possible.

From a strategic perspective, establishing the appropriate service level targets means balancing customer experience and resourcing costs; then establishing targets for deviation (+/-) from service level — like a dart board. If your Service Level goal is to answer 80% of calls offered in 20 seconds, then you want to establish the acceptable thresholds below and above. The objective is to consistently meet service level targets.

Short wait times do not necessarily translate to customer satisfaction. In fact many surveys have shown that reaching the right agent has a larger influence on customer satisfaction.

With skills-based routing, your WFM team has a tool to ensure coverage for even small groups of customers while maintaining the "big pool" effect. An example of this would be an "In Language" skill, where customers can obtain service in the language of their choice. Managing this in a cost-effective manner requires the number of agents required, skills, and weighting to be carefully analyzed. It may be the agents who handle these calls also take English calls or other interaction types (emails, web chats, etc.) that allow their utilization to remain high while keeping them "available" for the in-language call.

Another area that may be the subject of strategic planning is your organization's hours of operation. To shrink, extend, or shift hours of operation or days of week can have significant impact to the customer experience.

Expanding your hours of operation accommodates the busy lives of your customers and can spread interaction volumes out, smoothing the big "bumps" and providing more consistent response times. However, it may incur additional costs, or lengthen response times, and potentially increase agent attrition.

Sometimes simply shifting your hours of operation can make significant improvement to response times without impacting staffing requirements, and provide a better "fit" for your customers.

Whenever hours of operation are being discussed, your WFM team needs to be engaged to analyze and advise on the impact to service levels, staffing, and the customer experience.

Employee satisfaction

We all know this one — agents who feel great about their jobs deliver a great customer experience. Therefore employee satisfaction needs to be a part of strategic planning.

Satisfied agents also equate to reduced attrition and, by proxy, reduced hiring and training costs.

Scheduling is the number one priority and concern of any contact center agent, so any flexibility WFM can provide will have a direct impact on agent satisfaction. This can be accomplished through facilitating shift swaps or having reduced hours (same weekly pay) for covering night and weekend shifts (7 hours vs. 8 hours). Other options, such as reducing an agent's transit time by creating shifts with fewer hours per day/week, will be more conducive to their work-life balance preference and assist in improving agent morale.

Personal development can have significant influence on employee/agent satisfaction — whether that is time with their supervisor or working on off-queue projects — building this into the scheduling process can deliver big on the employee satisfaction score.

Conclusion

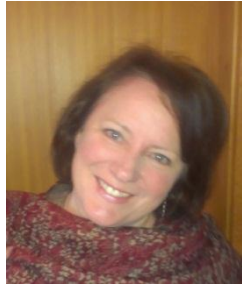
The many benefits derived from the inclusion of a Workforce Optimization solution into your strategic planning and execution processes are clear. Leveraging WFO in the strategic planning process will significantly increase your organization's competitive advantage and success.

For many organizations, workforce management has been a part of contact center management for several years, but has been ignored in the strategic planning process. Now is the time to change that.

Analytics for most companies was once considered a luxury item that didn't carry significant impact on how they were able to interact with customers. However, in many ways it is a complete sea-change to how contact centers have grown accustomed to handling customer issues. The strategic use of speech analytics is a revolutionary step forward, a tremendous enabler, and will transform how you do business.

Workforce Optimization has changed the contact center paradigm with its ability to simultaneously improve agent productivity and deliver quality customer service. The time is now, so start to plan for its incorporation into your organization and into your strategic planning process.

The authors



Trish Paterson, co-founder and principal consultant at Blue Kite Consultants, has over 18 years' experience in the contact center industry and an absolute passion for it. Trish appreciates the complexity, challenges and opportunities of managing contact centers, and this is reflected in her participation and leadership in discussion forums, white papers and webinars. Her technological acumen is rivaled only by her appreciation and understanding of the rapidly evolving business environment. Trish's talent and skill lies in her ability to take complex issues, distill them down to their bare essence, identify opportunities, and present clear, actionable strategies that allow organizations to realize their strategic and operational objectives.



Brandon Rowe joined Interactive Intelligence in August 2011, serving with broad responsibility of cultivating the company's Workforce Optimization marketing strategy, messaging and content. Prior to joining Interactive, he served as product marketing manager with Avaya and market development manager with IBM. While at Avaya, Brandon was responsible for the marketing of several contact center products generating over \$15 million in annual revenue. Brandon has a bachelor's degree in marketing and his MBA focusing on strategy and marketing.