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LEADING THOUGHTS

Managing Metrics Effectively

By Larry Eiser Contact Center Insights

Be careful what you ask for.
Every action can have unintended consequences.

If you manage a contact center, you cannot escape the fact that you are going to be bombarded with a wealth of numbers. It can be challenging to figure out which metrics to pay attention to. You need to be selective in identifying the key ones for you and your business, or you can easily get buried in the numbers.

It's often helpful to start by identifying a handful of primary metrics that you are going to manage to. These are the ones that you will ultimately use to gauge your success or progress. Then identify a secondary set that will serve as leading indicators and drivers of your primary metrics. Typically, these would represent levers closer to the detailed operations of your business.

Your next challenge is to figure out how to drive positive movement in the metrics that you have selected. There are metrics, such as customer satisfaction, that are, by their nature, broader organizational measures. You'll need to work across organizational boundaries to maximize your influence on those. Metrics, such as service level, are at a center or multiple center level. And there are other metrics that can be effectively influenced at the team or individual CSR level.

CSR Metrics: Avoiding the Pitfalls

While there are a number of metrics you might want to watch at a CSR level, a key decision is what to include in CSR performance scorecards and/or individual incentives; i.e., which ones do you want the CSRs to focus on? In my experience, there are two key criteria for deciding whether a given metric belongs in a CSR incentive or scorecard. First is the degree to which CSRs have control, or at least a strong degree of influence, over the metric. Second is the degree to which the metric matters; i.e., is it an important driver of higher level center and organizational measures, such as satisfaction/loyalty and overall cost and profitability?

There are a few common traps that call center leaders can fall into when defining frontline metrics.

- First, there can be a tendency to select what is readily available and easy to measure versus what matters most.
- Second, there can be a tendency to manage or interpret a metric in a vacuum, when many need to be viewed in conjunction with others.
- Third, because there is a strong desire to drive change in a given metric at the CSR level, there can be a tendency to assume that such a metric must be included as a CSR incentive metric.

The third pitfall reminds me of the saying, "If the only tool you have is a hammer, then everything begins to look like a nail." The fact is that there are multiple ways to drive change in any given metric. Including it as an incentive metric is only one option and is only effective for some metrics. If your approach to managing a metric is relying on including it in a CSR incentive, you are very likely to fall short. It's not that easy. Managing a metric effectively at the CSR level requires substantial investments in coaching. Investments in training, tools and process improvement could also be required.

Illustrating the Point: AHT

Average handle time (AHT) is a metric that has been much talked about and is a great example of the choices a call center leader needs to make. There has been a lot of debate on various LinkedIn forums as to whether AHT is important to manage. That is the wrong question. AHT is definitely important to manage. It is a key input to your staffing

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model—ideally by contact channel and call reason, as well as reflecting seasonal variations. The right question is *how* to manage AHT. There is no single metric that is more dangerous to include as a CSR incentive measure. It can send the wrong message and drive the wrong behavior— and, for a segment of your CSRs, it will.

Be careful what you ask for. Your CSRs are smart and generally will meet the target that you set. The question then becomes *how* they meet it. When you try to influence decreases in AHT in this way, the potential staffing reductions that you get can be more than offset with decreases in first contact resolution (FCR), if calls are short-changed. This does not even address the impact on customer satisfaction of short-changed conversations, incomplete resolutions, and unnecessary transfers and escalations that you may be unknowingly encouraging. In a sales environment, or one where automation of simple contacts has left a large percentage of complex, consultative contacts, AHT becomes even less applicable as a metric for CSRs. In sales centers, short-changing calls can cost you revenue opportunities, as well.

From a best-practice perspective, you should not manage AHT by setting a target for CSRs or even by talking about a number with CSRs. That being said, targets on such a metric could legitimately be set for call center managers or supervisors. To manage AHT effectively, the following are some key approaches that can be employed:

- Invest in the tools—fast desktop technology, streamlined processes, and information available at CSRs' fingertips—which will help them naturally be faster and more effective.
- While scripting is not the answer, developing best-practice call flows and associated model call recordings can serve as guidelines to help newer CSRs become efficient faster and encourage effective use of systems and processes.
- Sit with CSRs who have high quality and lower handle times. Find out what skills and behaviors they employ, and then train and coach the rest of your staff on those. Coaching on behaviors to drive AHT improvement takes more effort on the part of supervisors and others. This puts a premium on freeing up supervisors from administrative tasks and optimizing span of control.

Setting a handle-time target for CSRs is, in essence, a cop-out. It reveals that management is not truly engaged in helping CSRs to understand the behavior change desired. It's like saying to your CSRs, "We're not going to manage it. You figure it out."

I've had the opportunity to talk to some of the best CSRs in call centers where AHT is an incentive measure. They told me that they simply tried to ignore it and do the right thing. They indicated, however, that it was always in the back of their minds when their full attention should have been focused on taking care of customers. With and without AHT as an incentive measure, I've found that these CSRs generally had very similar AHTs. So all you've accomplished is adding more stress to an already relentless and stressful job.

The metrics that you measure and focus on are critical, as are the mechanisms that you use to manage and drive change in those metrics.

AHT is one of those metrics like hold time, escalation rate, transfer rate and others that you will still want to watch in the background. What you're doing with these is looking for outliers and trends to target coaching efforts versus establishing fixed numeric targets. The list of metrics that you monitor or manage will go beyond what you include in a CSR incentive.

Bottom line: What you really want to achieve is cost effectiveness, customer satisfaction/loyalty and, where applicable, revenue enhancement. To these ends, there are really only two things you can ask of CSRs. First, take care of each customer, including making tailored offers as an extension of service. Second, be available and efficient, thereby respecting the customer's time and serving customers in the queue, as well. This drives you toward CSR incentive metrics like adherence and quality, with

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quality ideally being a blend of internal assessment and feedback from customers. In sales centers, there would likely be a revenue or conversion metric, but it's important to couple that with a quality or satisfaction measure.

In the end what you want is a simple blend of metrics that are balanced and aligned with high-level metrics and that minimize unintended negative side effects. CSR incentive metrics are, to a great extent, a communications device and can send a powerful message about what you really value.

The Broader View Beyond CSR Metrics

There are other metrics that can be similarly dangerous and/or deceiving if managed ineffectively, including those managed at a center or broader organizational level. The following are two examples:

COST PER CONTACT

If you effectively drive increases in FCR, whatever fixed costs you have would be spread over fewer contacts. This would result in an increased cost per contact, yet overall costs would decrease and customer satisfaction would increase. Likewise, if FCR degrades, this would actually lower cost per contact by increasing contacts; i.e., the denominator of this metric, but overall costs would go up.

SERVICE LEVEL

I do not mean to commit heresy here. Obviously, hitting the target that you have established is a measure of operational excellence. The problem is when service level is viewed as an end in itself instead of just one of the ingredients for creating satisfied customers. Wait time is important, but what's more important is what happens once the customer gets through—ideally, quality, caring service accomplished on the very first contact. A great example of this is in the technical support arena. Customers have a tolerance for longer wait times, in part, based on what they have been conditioned to expect, but also based on the degree of expertise they are seeking. This is tolerated as long as their issue is taken care of completely on that first call.

Focus on Higher-Level Metrics

The metrics that you measure and focus on are critical, as are the mechanisms that you use to manage and drive change in those metrics. Also important is the extent to which you utilize a systems-thinking approach by looking at the interrelationship among metrics versus managing each one in a vacuum.

Every action can have unintended consequences. Keep your focus on the higher level metrics that matter most to your business and your customers. These often include items like customer satisfaction/loyalty and overall cost-effectiveness and profitability. Every other metric that you manage should align with and be a driver of one or more of those. Taking this approach will prevent you from getting lost in the "weeds" and allow you to identify and pull the right levers to drive your center's performance.

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