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Improving customer service

The Bright Guide to

**Achieving Best In Class
Contact Centre Performance**

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1 INTRODUCTION

With over 10 years’ experience of analysing customer service operations, we have seen that a starting point for becoming world class has to be an understanding of the contact centre’s effectiveness (including its impact on customers) as well as its efficiency.

In this Best Practice Guide, we will take a specific look at how to measure contact centre effectiveness and efficiency and how to prove the contribution of the contact centre to an organisation’s overall success. Key to achieving this is taking a more holistic approach to contact centre management and realising that there are inherent dangers in examining different areas in isolation. A large part of the Guide has therefore been designed to try to help you adopt this holistic approach.

Like in previous Bright Guides, we will look at what has changed recently in contact centre performance and share some benchmarking data and research findings with you. We will take you down a road to best practice, passing through five main areas each followed by a relevant case study from a high performing organisation.

We will share some often counter-intuitive findings from our own benchmarking. These findings come from analysing top performers in over 1,000 contact centre reviews, carrying out millions of customer satisfaction and advisor surveys and last but definitely not least, proving correlations between the three areas resulting in industry first research.

At the end of reading the guide, you will have a clear view of what the road to best in class contact centre performance looks like.



“Our industry needs to take a more holistic approach to contact centre management”

Mats Rennstam
MD, Bright UK

2 UNDERSTANDING BEST IN CLASS

In the service industry, best in class contact centre performance is normally defined as being a top performer in terms of customer satisfaction delivered. Bright has a much broader definition, including what impact performance has on customer retention and sales, as well as how cost efficiently the service is delivered. The customer service operations' responsibility is to contribute to the overall success of the company, not just make customers happy. However, as we will prove below, efficiency and quality very much drive each other.

Does customer service actually matter?

It has been proven many times that bad experiences have a negative effect on customer attrition. But do great experiences increase retention or is service just a hygiene factor? After all not many customers would stay with a bank with superb service, when the bank next door with a 'good enough' service offers them twice the interest rate on their savings. They will only stay if the value of better service is worth more to them than a competitor's offering plus the hassle of changing suppliers.

CEOs will be reluctant to invest in offering a better than average customer service before seeing evidence that it has a positive effect on customer retention or spend. Customer service directors are starting to prove these links, helped by more companies using an advocacy measure such as NPS (Net Promoter Score), showing that good customer service works as an extra 'free' sales force. As well as decreasing the number of detractors speaking ill of the company which can snowball as many social media examples have shown us.

A way of displaying the actual impact of customer experience is to look at different departments' quality scores and compare them against customer retention and spend. Or even better, breaking it down to a customer level. However proving these links will only be meaningful if you are able to actually drive C-SAT (Customer Satisfaction), and the right kind of C-SAT. More on this in section 6; 'Linking customer service to company profits'.

Can good customer service be too good?

If you have a too narrow view of what drives customer experience, then yes. As an example, see how Camelot managed to lower costs by 40% at the same time as customer satisfaction increased by 10%. This was due to aligning their targets more accurately with customer expectations. Time and time again we see examples of centres trying to deliver far above customer expectations on measures customers care little about, yet ignore areas like FCR (First Contact Resolution), engagement, product knowledge etc. that might drive customer satisfaction and loyalty to a greater extent.

"We can't afford to be best in class"

In the C-SAT section we will strongly recommend judging your service delivered by comparing yourself across sectors, because that is what your customers will do. It is true that it is easier for high margin sectors like Premier Banking to deliver high quality by just throwing more money at it. For example simply just staffing up to increase service levels during peaks, regardless of whether people are underutilised during down times. You will be glad to see however, that as we take you down this road to best practice, that the top drivers of customer satisfaction and loyalty do not require large investments. Instead, what is required is focus on the relevant things and simply caring enough to bother to look at the full picture. Magic doesn't just happen, it comes from doing the basic things right, again and again!

Jonty Pearce, Editor, Call Centre Helper, comments on the driving force behind the renewed focus on customer service
www.callcentrehelper.com

'It's an exciting time to be involved in the contact centre industry. We have seen a real focus on customer service, after many years of companies paying lip service to it. This is being driven by two main factors.

- A realisation that low cost customer service (e.g. offshored) has often backfired.
- The other driver is that social media means that companies can no longer hide poor service.

Both these factors mean that good customer service is no longer a 'nice to have', but a key part of the formula of a successful business.'

The Bright checklist to help you approach best in class the right way:

- ✓ What is the overall strategy for the company? Are all of your KPIs driving this or are they just a copy of everyone else's 'industry standard metrics'?
- ✓ When analysing your productivity compare your business to peers handling the same type of contacts, have the same opening hours, are of the same size etc. As an example, the average handling time for a call between sectors can differ 45 minutes.
- ✓ When analysing quality delivered, compare yourselves across sectors (as this is what your customers will do) but keep it realistic. Different types of contact and customer mind-sets will pose different challenges for different companies.
- ✓ Avoid basing best in class performance on guesses or industry myths. Find out what really drives your customers' satisfaction and what actually drives your productivity, then find out how you are performing against these metrics. More about this in the next chapter, and in the benchmarking chapter.

3 BUILDING A PLATFORM FOR CHANGE

What to monitor and manage internally

Before we start looking at measuring and managing customer experience, your internal operations and processes need to reach a certain standard. Only then can customer experience feedback be used to tweak your performance and take you to best in class levels, and in an affordable way.

If forced to single out one area where contact centres have gone wrong in the past we would point to them measuring what is easy to measure and not necessarily what is relevant to measure. A classic example of this is the 80/20 target (80% of calls answered in 20 seconds). Few centres reach this mark and yet it is still ever-present, driven by senior management's desire to have one metric to focus their efforts on. More importantly many centres genuinely believe that achievement of this target is the most important driver of C-SAT and NPS. However when measuring what impact a reduction in hold time of 30 seconds has, we see that it hardly affects C-SAT at all. Conversely, just a small dip in FCR or employee engagement sends customer satisfaction plummeting. See the graph below looking at a sample of drivers.



Engagement and Knowledge has a much bigger impact on satisfaction than the perceived speed to answer.

The graph shows the results of 500,000 customer satisfaction surveys by Bright and the correlation between three metrics and subsequent scores for overall satisfaction.

Speed of answer does affect satisfaction but customers very dissatisfied with speed of answer went on to score overall satisfaction average.

Customers dissatisfied with advisor engagement or product knowledge however, went on to score overall very dissatisfied.

NB. These are cross sector results; you need to find out your company's own drivers.

We now see the same thing happening with NPS and CES (Customer Effort Score). The 'one ring to rule them all' idea is a nice one but unfortunately we need to monitor many more performance metrics to get the full picture.

"You get what you measure"

Before setting targets for any operational metrics, the strategy needs to be clear; what is our overall purpose and what metrics will drive this strategy? It is the combination of not choosing KPIs that drive strategy, and a lack of data on how those KPIs affect each other, that makes many centres work very hard yet only become efficient, not effective. This is enforced by using those KPIs in appraisals. If the measures are not driving the right targets we are driving the wrong things; you get what you measure.

Another good example is Average Handling Time (AHT). Most centres have been throwing it out lately as a target for advisors, which is normally good for FCR and C-SAT. However many have stopped measuring number of contacts handled per day on a management level as well. We need to keep track of productivity. We see advisors handling 60 calls or emails per day giving the same level of service as others within the same centre handling 40 calls per day. The difference in cost can be up to £2 million per annum for an average sized contact centre. This could mean a difference of £40,000 in costs per annum and advisor. It is finding the actual breaking points for all of these metrics that will propel you into best in class and to do this you need to have a full grasp of agent productivity and costs, in parallel with customer satisfaction and advocacy generated at an agent level (covered later in the C-SAT section).

Efficiency	Quality	Resourcing
<ul style="list-style-type: none"> • Cost per contact • Contacts per agent/day • Self service • Sales • FCR 	<ul style="list-style-type: none"> • Abandonment • Hold time • Training • Employee engagement • C-SAT 	<ul style="list-style-type: none"> • Utilisation • Attrition • Ready time (call time and wait) • Absence • Agents per team leader

Most common performance metrics amongst high performing contact centres.

Bright views on a selection of internal metrics

Self-service level:

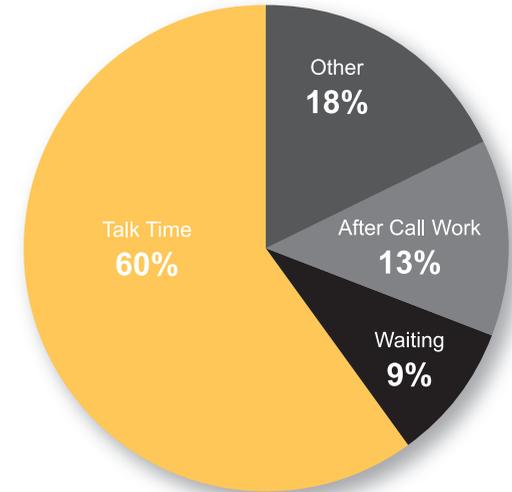
At the same time as you hear friends complain about endless IVR menus, in our benchmarking we see that the top performing centres have a high percentage of self-service calls. Customers like self-service when it is set up correctly and there is an option to speak to a live agent plus the cost benefits are significant. Savings from shifting calls to self-service can also be used to improve the bigger drivers of C-SAT. Mobile customer service is a fast growing area, with apps handling many of the information exchanges previously provided by a contact centre or an IVR self-service solution.

Advisors per team leader:

Researching differences amongst the top performers, we analysed 1,000 reviews and saw that the centres with 8-15 advisors per team leader had significantly better results on all of the key metrics. Above 15 advisors per team leader the results dropped dramatically but under eight the results stayed the same.

Utilisation level:

The spread of results here is symptomatic with the wide range of performance levels in the contact centre industry. The lowest utilisation level (incoming calls and talk time compared to the resources assigned to handle them) in the latest Bright Index benchmark was 25% and the highest 132%. In the first case, the centre is extremely over-staffed; in the latter the advisors start every day knowing that they will not be able to handle half of the calls coming in. Both are equally demotivating and neither cost-efficient. A recommended level is between 70-80%. Above this we start seeing negative effects on absence and attrition. However, don't mistake this metric for average talk time per agent per day which, as shown, rarely goes over 60%.



"An average advisor day" of top performers measured by the Bright Index. For average results see the trends section.

Anne-Marie Forsyth, Chief Executive CCA, comments on looking beyond traditional measurements.

"For many, measuring customer satisfaction is an essential part of an organisation's day to day management. Who can accept unhappy customers in a world of 'Watchdog' media coverage, Web 2.0 feedback and CEO demands that the 'customer comes first'? And how can service be improved if we don't measure what's broken? For the sceptics, loyalty or repeat spend are more important measures. Satisfied customers are known to defect, so some advocate the use of the Net Promoter Score. Others say CRM systems will (finally) capture the information needed to understand individual customer relationships with organisations; satisfaction will be one of many measures."

Learn more at www.cca.org.uk. CCA - the professional body for customer contact



CASE STUDY: CAMELOT

Powerful evidence to change an operation



As the operator of the UK National Lottery, Camelot UK Lotteries Limited aims to transform people's lives and make dreams come true. Camelot strives to deliver a high level of customer service, but, until recently, its customer service measures didn't reflect the vibrant brand or the needs of the consumers of today. With Bright's help, Camelot has made a number of improvements in this area.

The Challenge

Camelot's customer service had been driven by KPIs which were set by its regulator, the National Lottery Commission (NLC), under the terms of Camelot's licence agreement. These focused on speed as opposed to customer satisfaction. Camelot had to provide evidence of industry performance to the NLC to facilitate a change in what was measured, so that it could undertake a significant transformation programme that would result in a more efficient and cost-effective operation that also delivered a superior customer experience.

The Solution

The cornerstone to this transformation project was to benchmark Camelot's performance against its peers and the wider contact centre industry. Bright Index from Bright was the only service available that would present the level of detail needed, combined with the consultation to interpret the results.

The Result

The Bright Index outcomes gave Camelot the evidence it needed to persuade the NLC to change how it measured its performance. Camelot initiated the operational change programme which has already reduced costs by 40% and enabled a 17% increase in call volumes year-on-year to be absorbed easily. Additionally, customer satisfaction scores have improved by 10%.

"Bright was able to bring to life my hypothesis that we were over-servicing on speed but not delivering the quality of service our customers wanted."

"Ultimately, Bright has enabled us to make decisions much quicker and with more confidence,"

Pam Bowell, Head of Customer Operations, Camelot

4 IMPROVING PEOPLE PERFORMANCE

Over the last decade, the contact centre industry has experienced extreme movements in attitudes towards advisors. We now see a more stable focus on both people metrics such as number of training days, agent v team leader ratio etc., as well as an increased interest in employee engagement and customer satisfaction, as opposed to only looking at productivity metrics.

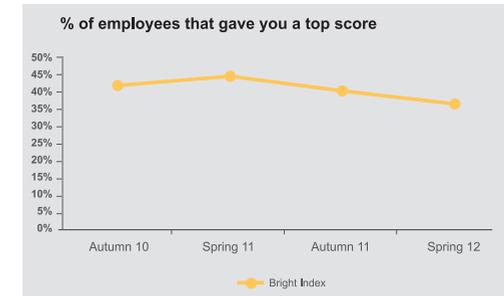
Staff engagement is imperative to get anywhere near best in class performance. However, it is one of the more difficult challenges to overcome because it often involves changing company culture, which can take years to achieve.

"Staff engagement is imperative to get anywhere near best in class performance but one of the most difficult things to achieve"

Companies are starting to realise that staff engagement drive *both* C-SAT and productivity, as well as taking a wider view of what actually drives that performance and therefore bottom line. When shown proof of direct links between engagement and productivity, organisations start to listen. A positive and proactive agent will take new targets on board and try to reach them, have less absence, solve problems themselves and in turn increase FCR and have a positive impact on contact centre performance. They have to be given the mandate to be a proactive problem solver though, which is often not the case. The simplest way of making organisations (whose centres sell products) pay attention to the power of engagement, is to show the correlation with conversion rates; the link is clear. Or if you do not sell products, show them the previous graph of what really drives customer satisfaction and NPS.

So, what does our baseline really look like?

The graph here shows the percentage of employees rating their overall satisfaction with their contact centre employer in 2012 as 'very satisfied'; 35%. The reasons for the downward trend varies from company to company but the area 'Support & Processes' was, and still is, by far the area that still gets the most negative response. Over 20% say that the technology in place actually hinders them more than helps them in their work. The trend is also due to a mind-set fuelled by media and commercials portraying call centres as the dark coalmines they rarely are. The third reason for results not being better is a lack of appropriate staff - 15% say they do not enjoy talking to or helping customers and should frankly never have been hired.



Employee satisfaction

- Recognition
- Achievement
- Support
- Engagement
- Knowledge
- Development

The key metric for employee satisfaction is engagement. To drive employee engagement we need to at a minimum measure how the staff feels about achievement, recognition and development. Benchmark how you are performing on those metrics, show the GAP analysis to your team leaders so

they know what to focus on, and you'll have a great hands on tool to increase your staff engagement.

It will also reveal which of your team leaders are true leaders and motivators and who are not.



CASE STUDY: SHOP DIRECT GROUP

Cost effective business change whilst improving customer satisfaction



Shop Direct Group is the UK's largest online and home shopping retailer with brands such as Littlewoods.com, Very, isme and Woolworths. At the heart of its business is its Customer First initiative, aimed at providing an unrivalled personal home shopping experience that delivers outstanding customer satisfaction.

The Challenge

Shop Direct introduced the Customer First initiative, but had no 'voice of the customer' and no way of knowing what to change to improve the customer experience whilst saving costs.

The Solution

Bright Index was used to benchmark contact centre performance. Bright consultants identified specific areas for improvement that would support the Customer First initiative and save money. Shop Direct also invested in Bright Navigator, the Customer Satisfaction tool, to gather and analyse customer feedback, to drive change in Advisor behaviour and improve the CSI score.

The Result

Employee engagement scores have increased from 50% to 70%+. CSI scores for the group are expected to increase by 1% (driven largely by a 20% increase of customers very satisfied with the contact centre experience). Improving the online service experience delivered an increase in online sales by 20% and email response SLA's have been slashed from 24 hours to four hours. The Bright solution delivered an ROI within three months.

“The quality of feedback from Bright was superior and more pertinent to our business.”

Chris Plank, Customer Service and Sales Director, Shop Direct

“Bright has become our trusted advisor in measuring and improving our contact centre performance.”

Hilary Bennett, Head of Site, Shop Direct

5 DELIVERING WORLD CLASS CUSTOMER EXPERIENCE

When you have your performance platform in place and employee engagement is high, using customer feedback to improve is what will get you across the finishing line. But, you have to do it in a structured way and avoid the most common mistakes we see:

- Measuring customer satisfaction at an enterprise level and not staff level.
- No automatic feedback to individual staff.
- Surveying too late. Two weeks after an interaction has taken place customers either have forgotten about the contact or confuse it with calls to their other suppliers over the same period.
- Basing analysis on a far too small sample.

We have left the biggest mistake for last. All too often we see companies overlooking the huge impact using C-SAT as an operational tool can have. CEOs in the UK often feel anything to do with customer satisfaction should sit centrally with Marketing. We anticipate a shift here when it is clear that C-SAT measuring following the five steps below, can have a significant impact on the company's market position with 30% more very satisfied customers as just one of the outputs.

Step 1: Make C-SAT surveying accountable and actionable

Asking customers what they feel when they hear your brand name will not help drive change in the contact centre. Instead you need to be able to link the feedback to a recent call to your centre and break it down to agent or minimum team level, making it accountable. Bright recommend carrying out a minimum 20 surveys per customer facing staff member per month. Only when you see who is affecting C-SAT or NPS positively/negatively, can you do something about it.

Step 2: Deliver 360° feedback to staff

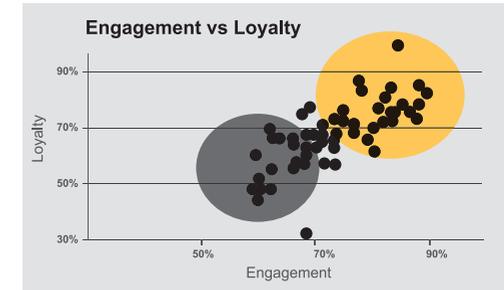
When doing instant post call surveys and feeding back their own results to advisors individually, we see metrics like FCR and customer satisfaction increase significantly. There is an element of competitiveness behind this but mainly it comes from the staff member actually seeing that they are making a difference for the first time. They can also experiment with the way they handle customers

“Use feedback operationally and achieve 30% C-SAT increase.”

and see what effect that has on their scores. For instance, if they make an effort to sound happier on calls, and this result in better customer satisfaction scores, they will repeat that behaviour. Thus, sharing the results at agent level creates a self-developing and self-learning organisation.

Step 3: Empower your managers

Equally powerful is putting structured C-SAT feedback in the hands of your team leaders. Instead of spending time analysing and scoring agent contacts, they can use feedback direct from your customers. Combining this with insight into what actually drives NPS and C-SAT, they can improve their effectiveness further by focusing on the underperforming staff. For your managers that aren't very comfortable with confrontation (and you will invariably have a few) an additional bonus is that in one to ones it isn't them telling the advisor that they need to improve, it's the customer telling them.



The challenge: moving agents from the grey circle to the yellow circle. Graph shows an example of a correlation in the Bright Navigator C-SAT tool, helping a manager define the advisors that drive loyalty and not. Previously this company had no idea of knowing whom or what was driving their NPS and the results was a significant move in their scoring.

Step 4: Use verbatim to create a real time information hub for your organisation

A key benefit that companies get from gathering customer verbatim is that it hits staff right in the gut when being listened to in one to ones. They get a much better understanding of what is making some customers so happy and others furious.

And if negative feedback is beyond their control, this is uncovered and will not make them look bad. The same goes for the centre as a whole, which is often blamed for any C-SAT dip regardless of the cause.

Even more value comes from being able to list customers' top 10 complaints and use this to do root cause analysis and thus increase FCR. Here also lies one of the major opportunities for our industry to raise its game. A majority of centres still do not have a structured way of measuring why customers are contacting them.

"We must all, as Peter Massey at Budd would have said, focus on how we can stop doing dumb things to our customers and our people."



Last but certainly not least, the benefit that will put the centre on the bigger organisational map. For just as long as we have been trying to prove the value of customer satisfaction, we have been advocating the power of using the contact centre as a real-time information hub for the entire organisation. Millions have been invested in CRM systems and data warehousing solutions but now contact centres are showing a much simpler way of doing it. The enabler is the arrival of low cost customer survey methodologies that allow us to gather large volumes of verbatim comments. Even if using IVR surveys, sound files can now be accurately converted into text at a very low cost, enabling further data mining of a large volume of responses.

When systematically sorted and passed on to other parts of the organisation, the following will happen:

- A department receiving hundreds of comments every month from customers (passed on by the contact centre) complaining about a process being wrong, will do something about it.

- This will reduce avoidable calls into customer service and thus costs. A CCA report recently cited a saving of 5-10% from initial projects.
- The status of the contact centre will change from a 'necessary evil / cost centre' to a business intelligence hub, helping the company keep their finger on the pulse, at no extra cost!

Step 5: Find out the real drivers of C-SAT and NPS, and close the loop

We have touched on how important it is to find out the facts before you decide on your KPIs. How do you do it? A simple approach is to look at correlations. Just like the team leaders above look at what the drivers are on an advisor level, you as a manager can find out the exact drivers on a higher level (see graph in chapter 3). This will 'only' tell you what customers prioritise and in what order though. However if you measure this in parallel with your internal performance metrics (like speed of answer, advisor engagement, FCR etc.) over a 6-month period, you will also find your own individual breaking points. This will open up a completely new world in terms of being able to focus on the right things and get more out of your budget by enabling you to exceed customer expectations yet at the lowest cost possible. Do this regularly (and adjust your KPIs and targets accordingly) because your customers' expectations as well as the industry and your peers' performance will change.

Claudia Thorpe, Editorial Director, www.callcentre.co.uk, comments on change in the industry

"I've been involved in the customer service industry for more than 8 years, but it is only in the last few years that I have really noticed a significant change. Businesses are finally realising that far from being a drain on resources, customer service departments (and particularly call centres) contain valuable insights. This information is a gold mine that can be used to drive customer loyalty and increase spend – something that companies are no longer able to ignore. I firmly believe that we are seeing a step-change in customer service in the UK – and it's not a moment too soon!"

CASE STUDY: ING DIRECT



A holistic view - combining benchmarking, c-sat and employee engagement

ING Direct is part of the ING Group, one of the world's largest financial services organisations with over 85m customers. ING Direct operate in seven different countries and provide banking, investments, life insurance and retirement services via safe and secure online banking.

Based in Reading and Cardiff, ING Direct is proud to have UK based award winning call centres.



The Challenge

ING Direct's strategy is to continue to deliver award winning consistent service benchmarked as best in class.

The Solution

Contact centre performance was benchmarked in the Bright Index, Bright Navigator provided insight into individual associate performance, identifying areas of focus, and Bright Employee Engagement assessed associate satisfaction. ING Direct got a much clearer and fuller picture of how to manage the delivery of best in class customer service.

The Result

ING Direct was awarded the Bright Top 25% Award for its superior contact centre performance, and has maintained a customer satisfaction score of 93% (2% above peer benchmark and significantly higher than industry performance), a First Contact Resolution score of 94.8% (against a peer benchmark of 90.1%) and a Net Promoter Score of 66.4.

"We needed to understand what 'best in class' looked like. That's when we first engaged Bright."

"There is no doubt that working with Bright has helped ING Direct maintain its high standards of quality service delivery."

Jane Racz, Head of Customer Experience, ING Direct

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6 LINKING CUSTOMER SERVICE TO COMPANY PROFITS

This brings us to the holy grail of customer management; proving that customer service actually matters. All customer experience specialists have claimed it at one stage or another. That as companies' products and pricing get more alike, the importance of customer service as a competitive advantage increases exponentially. Where is our proof?

The good news is that high level proof is easy to achieve. If you measure key metrics in parallel with customer retention and spend, you will normally see an overall correlation. Your colleagues from other departments may question if this has to do with customer service and not price reductions, products or any of the other of Kotler's P's. Well, this is where it gets trickier. Once you start measuring customer satisfaction on an individual level however, you will see exactly what impact customer service has on customers that have been exposed to the same offers and marketing messages. For some sectors there are very few interactions per year to base your sample on though. Therefore it may take a long time before you have robust proof but hang on in there. You will find your budget requests approved a lot quicker when they are accompanied by an irrefutable benefits case.

Read more about this in our white paper 'Proving and positioning contact centres as a corporate competitive advantage'. You will find it in the Research section on brightindex.co.uk.

Who knows where the money is?

Times are tight. Whether in the Boardroom or at our kitchen table we need to make sound and prudent decisions on our finances. So who really understands this for customer management operations? We analyse, we benchmark, we measure – all important - yet too often we do not 'know'. The rapid evolution that we now face – the dynamicism of channels, the growth and impact of social media, means we are faced with tough questions of priorities and how to optimise performance. And the only sensible way to deal with this is to understand the money. What is the real impact on value; on costs and revenues? What are the financial implications of different risks, different investments?

Therefore we need an acceptance that the financial focus should always take precedent; embrace the discipline and work with it, and the financial controllers of the business, in a constructive way. We need to speak the language of the Boardroom to win their support and understanding; and we need to connect the measures and costs in our business with the outcomes that matter – to understand how value is affected and what our role as customer champions is in driving this value. Difficult sometimes – the data is not always easy to pin down. But only when we have can short-termism, cost obsessiveness and lack of support at Board level be put in broader context and managed accordingly. Painful for some. Enlightening for most. So have a go and define the change you would like to see – in hard, irrefutable terms. Show them the money.

Mike Havard, Director, Ember Services.
www.emberservices.com



7 BENCHMARKING YOUR PERFORMANCE

So, you have this feeling of doing something right, and your gut feeling says that you are at least better than the average centre out there. First of all; is it true? And how do you know what targets to set to reach best in class, and finally how do you know when you've got there? This can only come from external benchmarking; comparing your own performance metrics and C-SAT results to those of peers and other centres. Remember that if it's measurable, it's benchmarkable.

Very often you will be surprised by the findings. It is easy to misjudge our own performance and think that we are worse at many more things than we actually are or, that we excel when compared to peers. A benchmarking exercise helps you prioritise and spend time, budget and resources where they are really needed. Benchmarking against your own sector is of course of biggest initial interest - they have the same challenges as you do and especially when looking at productivity metrics it is vital that you make sure you are comparing apples with apples. As mentioned earlier, a cross sector average is also important to cover though, particularly for quality metrics. Not many bank customers call banks other than their own. They will however call their telecom/utility/health service's centres and that is where they will form their

“How do you know what best in class actually looks like?”

overall opinion on what good customer service is! Admittedly biased as we offer this as a service, Bright recommends bespoke benchmarking. This enables you to be part of selecting your peers, make sure that metrics are defined in the same way and most importantly; receive expert advice on how to narrow the gap to best in class.

Other benchmarking methodologies:

- Off the shelf reports can be a good low cost starting point but they will not give you bespoke recommendations and you can't choose your peer group.
- Management consultancy firms will give you great models and structured recommendations. However, they are very expensive and often based on only a handful of companies' data.

- Mystery shopping is a useful tool for monitoring how advisors sound and behave but may not tell you why the results are what they are. Companies also often carry out too few interactions. If a centre handles one million calls per year, then 500 mystery calls (0.05% of the calls) will not be statistically secure or allow you to break it down in order to drive change.

How Bright benchmarks

When benchmarking performance in contact centres we gather data for over 60 different metrics, we do this in person to ensure that we base the performance on exactly the same definitions from participants to participant. The next step is finding the right peers to compare with amongst 100 annual participants, which we do through a mix of criteria. For example sector, size and opening hours factor in, but above all; the type of contacts that the centre handles. Even in the same sector, different centres and teams' challenges can vary significantly.

The rules of benchmarking

- Rigorous quality assurance of the data entered must be in place.
- There must be one approach to calculating KPIs in order to be able to compare apples with apples.
- The exercise must cover relevant areas and show how they are linked.
- The number of participants has to be large enough.
- For efficiency metrics you should be benchmarked against peers handling the same type of contacts as yourselves.

The data gathered is based upon a six-month period (on average one million contacts) which is enough to avoid temporary fluctuations but frequent enough to use the findings as a steering tool operationally. The benchmarking report is then produced and presented together with actionable recommendations twice per year.

For employee engagement and customer satisfaction benchmarking, we use our survey tool 'Bright Navigator' (read more about this as well as 'Bright Index' at the end of the guide.)

CASE STUDY: HOMESERVE



The insight to make efficiency-driven savings

As the UK's leading home emergency insurance cover and domestic repair provider, HomeServe was established to be the first place people turn to for home emergencies and repairs. HomeServe knows that when their customers contact them to commence or progress a claim, they may be distressed and looking for an immediate response. Delivering a quality customer service efficiently is key to their business.



The Challenge

HomeServe was focused on exceeding an 80:20 SLA at a significant cost to the business. To make operational savings they needed to change their KPI's. The question was, what should the business measure?

The Solution

Using the Bright Index, Bright benchmarked HomeServe's contact centre performance. They were overachieving where it wasn't necessary and underperforming where service was critical to the customer. In addition, HomeServe has deployed Bright Navigator to better understand the Customer Experience.

The Result

HomeServe has deployed a consistent set of contact centre metrics to monitor operational performance against business goals. The correlation of these metrics is clearly understood and now provides the direction for areas to focus on.

“Bright Index gave us the insight we needed to find the right balance for achieving cost savings with improved customer experience.”

“They are like a mentor to us in measuring our contact centre performance – and they are not scared to tell us how it is.”

Martin Glen, Head of Offline Operations, HomeServe

8 MANAGING OUTSOURCING RELATIONSHIPS

All of the points for managing in-house performance apply equally to your outsourced operations. The difference is that you might not get access to all the data, or you might not be interested in the metrics behind the scenes, but you should be. The closer and more transparent partnership you can form the more you will get from your outsourced solution. And the more effective the outsourcer's operations are; the more cost efficient it will be for you. The technology solutions available today in performance management will let you have access to all of the key three areas, real-time, even though you are not on site.

If you are an outsourcer, you should embrace benchmarking. It will allow you to show the client

that you are outperforming in-house centres on costs (most are) and doing well on metrics like FCR, which is often a client's biggest worry. When making comparisons (for example cost per call) it is extremely important however that the benchmarking supplier knows what they are doing and compares like-for-like. An outsourcer's fee includes everything, but most in-house centres do not factor in things like finance, utilities, IT costs or even telephony, because it is paid for centrally.

Outsourcers themselves will find that proposals where they have included independent benchmarking in the SLAs, will be a lot more successful due to the client feeling safer.

9 THE IMPACT OF TECHNOLOGY

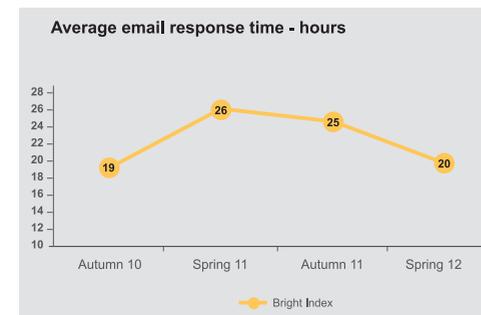
Like everyone else, we at Bright are excited to see what will happen with speech analytics, social media etc. over the next few years, and what impact it is going to have on customer service operations. Just as an example, service desks deal with up to 70% calls regarding forgotten passwords, which with voice biometrics (staff are identified by their voice and password is reset) can be erased, leaving the staff to handle more complex queries. And a US company is having great success with personality matching based on a combination of voice analytics and demographic analysis. A customer calling in is immediately categorised based on their voice and routed to the agent most likely to have good rapport with the client.

Better self-service solutions including smartphone apps and other mobile customer service solutions are also changing our lives fast. So technology will undoubtedly have a huge impact on your road to best in class performance.

We are however weary of companies trying to find a silver bullet through new technology before they are using their existing systems properly. Seminar speakers often talk about going 'back to basics', but when it comes to technology in contact centres, it is often a question of going 'forward to basics' as we didn't ever get it right the first time around. For example:

- **Getting multichannel right**

The average time for responding to an email is still over a day, a situation an increasing number of customers just won't accept. Why, when targets for calls are at 20 seconds?



- **Evaluating systems through agents**

A majority of them think that the systems in place hinder rather than help them do their job, ask them why!

- **Measuring why customers contact us**

This sounds incredibly basic but a majority of centres still do not have a structured way of measuring why customers are calling (and as a result cannot do root cause analysis).

“It’s not about going ‘back to basics’, rather ‘forward to basics’ as we never got it right the first time around.”

- **Self-service - good or evil?**

Consumers continue to get irate by badly scripted IVR solutions. However, when we looked at the top 25% C-SAT performers in the Bright Index, they had a higher level of self-service. Their solutions were well designed though and always had the option to speak to a live agent. And for simple queries, they have an even lower cost per contact than they would have had if the contacts were handled offshore. Just look at online banking and how many contacts and time that has saved us (and the banks).

- **CRM, CLI and Knowledge Management**

It has been around forever yet how many times haven't we all had to repeat information we have given twice already? Or having had to educate advisors on things about their services that we have already told someone else? You can only multiskill so much, companies need to get much better at capture information and making it readily available. Especially in centres with high attrition.

bright. Index

THE BESPOKE BENCHMARKING OF CONTACT CENTRE PERFORMANCE

Helping you achieve best practice operational goals

- Operational benchmarking is a shortcut to the efficient development of your organisation and processes. By having access to external comparisons you get a clearer picture of your own operation's strengths and areas of improvement. Bright Index® will compare you to your peers as well as best in class on 60 of the most relevant metrics, helping you to prioritise time, resources and money.
- Bright has produced this leading European report since 2000. We will come back to you not only with the benchmarking report, but with a GAP analysis and recommendations as well.
- Data gathering only takes half a day to a day, and we will help you fill in your data collection form with the telephony/ email, HR and Financial stats needed. The findings are presented in a mini work shop two weeks later including recommendations on how to close the gap between you and best practice, then repeated 6 months later.
- After +1000 benchmarking projects, all clients have been able to save the annual fee within the first months and 100% say they would recommend participation to others.



60 KPIS REVIEWED AND BENCHMARKED SHOWING YOU BOTH PEERS' RESULTS AND OTHER SECTORS.

GAP ANALYSIS AND ACTIONABLE RECOMMENDATIONS HOW TO BECOME BEST PRACTICE.

SHARE RESEARCH FINDINGS ON LINKS BETWEEN PERFORMANCE, EMPLOYEE ENGAGEMENT AND CUSTOMER SATISFACTION.



In addition to the 60 metrics benchmarked, GAP analysis and recommendations, the best performers are recognised and authorised to use the Top 25% logo. Use of this logo demonstrates not only their ability to provide great service from a customer's point of view, but also that they operate an efficient contact centre.

10 SAMPLE OF RECENT TRENDS AND RESEARCH FINDINGS

Centres are generally improving from year to year but still struggle because of the increase in call volume and complexity. However there are many misconceptions around our most common KPIs. Let us take a look at a few trends, all based on the near 100 participants in the Bright Index annually.

Quality trends

We touched earlier on the fact that the service level 80/20 target originates from system suppliers default reporting settings, and not what customers' demands or companies prefer to deliver.

It is a hygiene factor however and less customers will get irate now that 67% of calls are handled within 20 seconds.

When we measure service level in parallel with customer satisfaction though, we see a cross sector breaking point at 90 seconds, meaning that customers start scoring their general satisfaction low first after 90 seconds. Find your own breaking

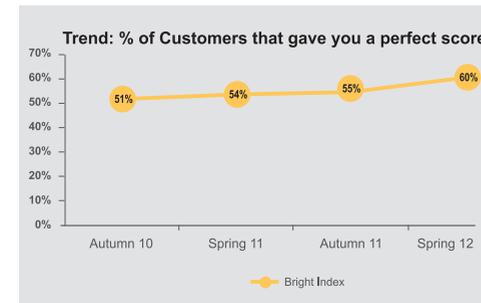
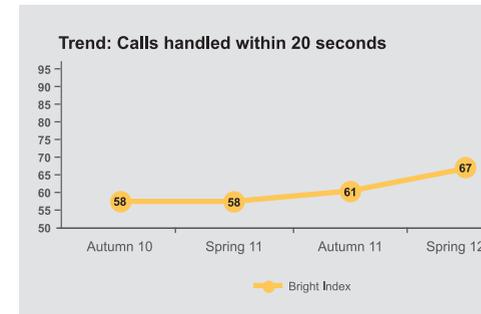
point and measure that, there may be significant cost reductions possible.

Staff engagement is something that we have proven has a much greater impact on customer satisfaction than recognised by the industry. Over the last two years we have seen an increased focus on people and we believe this is a key contributor to the higher percentage of customers giving top scores for their interaction with our benchmarking participants.

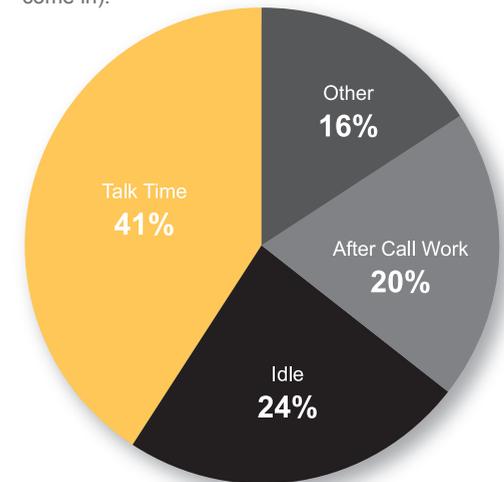
Efficiency trends

Utilisation remains something most centres struggle with. Many work with several systems increasing their after work time, others have processes that slow things down or problems with engagement resulting in low productivity.

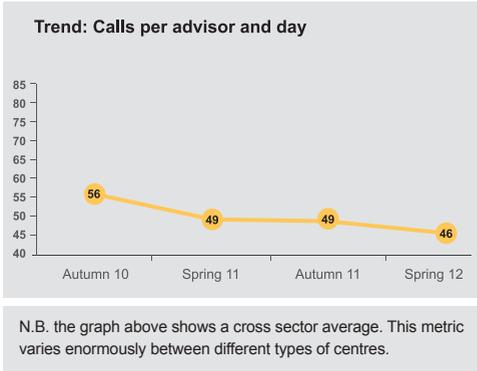
Even top performers only get 60% talk time per agent per day. The trick is to make sure that time is being spent handling calls that need to be handled by staff. Let the simple queries be handled by IVR and web solutions, and feedback incidents and problems to the relevant department in a structured way. This will minimize repeat calls about the same issue. Also try and handle things like email during idle (waiting for the next call to come in).



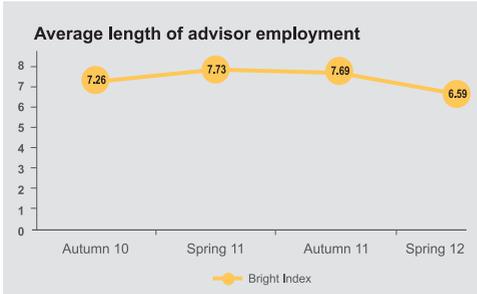
N.B. Graph levels include Bright Navigator users that normally show 30% higher number of very satisfied customers than average industry levels. This is mainly due to automatic feedback to advisors.



Graph shows a breakdown of an average workday for a Telephony FTE. It is based on total time offered to customers and number of FTEs working with calls.



Graph shows number of calls per agent per day on average. The decrease could be a result of abandoning AHT as a measurement, which might be outweighed by an improvement in C-SAT as a result. However 10 less calls for a centre with 500 advisors would have to be outweighed by a retention improvement worth over £6.7M (!).



Attrition is another area where our industry often suffers from the media grouping in-house with outsourced centres. Outsourcers often have shorter projects and will thus automatically have a fluctuating demand for staff.

If we analyse in-house centres only, they actually have a very long average length of employment. Attrition varies enormously though from centre to centre, in fact as much as between 0% and 100%.

The above metrics are just a selection of the over 60 we have been measuring since 2000. Note that industry averages are just that, there are vast differences between sectors (types of centres, queries, size etc.). If you are interested in your specific sector or a specific KPI, you will find our contact details on the back page. Or, finding out how far along the road to best in class you are!



11 SUMMARY

As mentioned, there is no silver bullet for becoming world class. There are however several things that you can do which neither require a lot of investment nor time. We know that if you follow the five milestones described in this guide you will significantly speed up your journey to best in class. And remember:

- **Make sure your performance KPIs are relevant.**
- **Monitor and manage your employee engagement.**
- **Break down your C-SAT feedback to staff level.**
- **Find out the real drivers of C-SAT and NPS, and close the loop.**
- **Use verbatim to create a real time information hub for your organisation.**
- **Benchmark all of your measures and align KPIs accordingly.**

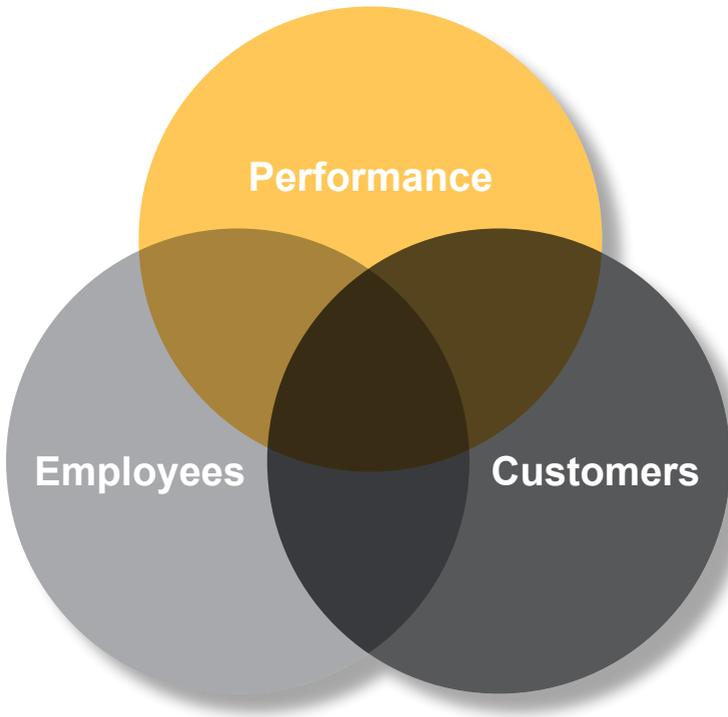
12 ABOUT BRIGHT

With over 1,000 reviews of contact centre performance and millions of customer and employee satisfaction surveys delivered annually, we have identified three areas that need to be monitored continually: internal performance, employee engagement and customer satisfaction. These drive each other as well as directly affect your bottom line! To be able to drive change it is not enough to simply measure internally, it is only when you compare externally that you see how well you are really doing. The Bright solutions cover all three areas of measuring as well as providing expert contact centre consultancy to interpret the results and offer a realistic action plan for change.

- **Performance benchmarking**
The Bright Index™ gives companies the most reliable, relevant analysis and benchmarking of internal contact centre performance available. Every year 100 participants get 60 internal KPIs analysed and benchmarked by a senior consultant as well as receive a GAP analysis and recommendations on how to improve.

- **Employee engagement measuring**
Bright Employee Index™ monitors staff satisfaction, engagement and support. Not only are all areas that drive customer satisfaction measured but the factors that affect these areas, so that management get a hands-on tool to drive change.
- **Customer satisfaction measuring**
Bright Navigator™ provides automated post call surveys, broken down to team and agent level. Management have access to instant results, agents see their own results creating a self-developing and self-learning organisation.
- **Intelligent reporting**
The output of all three modules is presented in real time in a user-friendly dashboard with access levels available for managers, team leaders and agents.

Join the discussion in the LinkedIn Group: Bright Customer Management



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