

# A (Real) Change Will Do You Good



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OPUS SOLUTIONS  
Performance Management

In the years immediately following the burst of the dot-com bubble, cost-cutting and efficiency became all the rage. Like their counterparts in every other segment of the organization, contact center managers were challenged to find ways to reduce overhead in order to run “leaner and meaner.”

And that’s what they did. They found new suppliers (including some off-shore), reassigned duties, and emphasized handling higher volumes with the same number of people. The numbers looked good, congratulations were passed all around, and managers were commended on the new-found “efficiency” of their departments.

There’s only one problem with this scenario. The organization didn’t really get any more efficient operationally. They simply found cheaper ways to do the same old things. That’s like a restaurant trying to cut the cost of making pizzas by using a cheese substitute in place of real cheese. Sure, the cost goes down temporarily, but they haven’t really gotten any more efficient at making pizzas. That means two things: 1) when the price of the cheese substitute goes up the restaurant will be right back where they started, and 2) customers are likely to notice in the meantime that the quality of the finished product just went down.

A recent benchmark study conducted by our company, Verint Systems Opus Solutions, bears this out. Despite all the recent changes in the contact center industry, organizational performance and efficiency is still well below the ideal.

For example, despite all the tools at their disposal, only nine percent of companies can accurately measure the cost of a customer transaction. Even fewer, just four percent, have an accurate expectation for unit cost. As the saying goes, it’s tough manage what you can’t measure.

Perhaps more telling is this statistic. Of the companies that meet or exceed their internal service expectations, only 51 percent were rated at or above average in customer satisfaction surveys. That’s a huge disconnect between what the organization expects and what the customer expects. It makes you wonder how the organization came up with its original internal targets.

Another good measure of organizational efficiency is productivity, the actual time spent working on core functions, which in this case would be servicing customers. The benchmark here was found to be just 58 percent. In other words, nearly half of an agent’s time is spent on other tasks, including meetings, training, and projects. Knowing the difference between productivity and utilization of agents’ time provides a huge clue as to ways to optimize the actual way the organization operates.

One way some organizations have sought to improve efficiency (or at least relieve some productivity issues) has been to move customer interactions onto integrated voice response (IVR) systems. It sounds good in theory. Replace costly humans with technology and allow customers to help themselves by navigating through various menus. The reality, however, has often proved to be less satisfying.

The benchmark study found that only 32 percent of IVR calls were being resolved on the first call. The remaining 68 percent still required the involvement of an agent, usually due to the complexity of the inquiry. Add in the general frustration of customers having to work their way through seemingly endless menus before discovering how to contact a live agent, and it becomes obvious that the goal of serving customers more effectively is often greatly misaligned with what's occurring in the real world.

Those are just some of the problem areas that have been identified. The over-arching message, however, is that organizations haven't gotten nearly as efficient as they think they have. Most changes have been more a matter of treating the symptom – higher costs in particular – rather than getting down to the root cause. When you move the question to “how” from “how much” you find not much has changed at all.

To make real, lasting improvements in the organization you have to look below the surface and see how work actually gets done. This is where operational performance management (OPM) comes in. OPM combines hands-on study of the operational aspects of the organization with technology to create a more efficient way of working that can be easily measured, evaluated, and improved.

Unlike the cost-based methods, OPM seeks to understand how and why the organization works the way it does. It studies every task being performed by agents (as well as others in the enterprise) and breaks them down to their elemental levels. From there the tasks are reconstructed, eliminating duplication and wasted effort, which in turn improves both productivity and utilization of the worker's time.

Here's an example of the difference. Suppose a typical call regarding an invoice discrepancy currently requires eight separate tasks in order to reach a resolution. In the cost-cutting model, those same eight tasks are merely shifted from an in-house agent to one who is offshore. The time it takes to resolve the issue hasn't changed. In fact, the time might go up slightly depending on the quality of the offshore supplier. Only the cost per minute has changed.

With OPM it may be discovered that the number of tasks involved in this transaction can be reduced from eight to five. Taking three steps out of the process not only reduces the cost, it helps resolve the question faster and on the first call, increasing customer satisfaction with the overall interaction.

Once the processes have been optimized, you still need a means to monitor and measure the overall quality and efficiency. A good OPM system will provide a dashboard that allows you to see the status of your key performance indicators in real time, as well as give you a means of easily tracing the root cause of any breakdowns in the operation. It is this understanding that allows you to constantly tweak your operations in order to make organizational improvement a process rather than a task you “complete” and then set aside.

Most people are resistant to change. But the truth is a real change can often do an organization a lot of good. Rather than focusing on finding ways to do the same old thing cheaper, take a deep dive into the organization and see how OPM can help you create real, long-lasting improvements to your contact center and the entire enterprise.

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