

CONTACT CENTER WORKFORCE OPTIMIZATION: SECRETS TO UNLOCK AGENT PRODUCTIVITY & PERFORMANCE

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Report Highlights

P2

Improving the customer experience is now the #1 objective driving contact center WFO programs.

P6

Leading contact center WFO users reduce service costs by 7.2% year-over-year.

P8

Only 68% of agent time is spent serving customers.

P11

Leaders use a wide-range of analytical tools to support their WFO efforts.

Customer acquisition and retention are among the most common objectives driving CEM programs. While personalizing sales and marketing conversations boosts the ability to acquire new customers, it is agent performance and productivity that ultimately determines the retention of those clients.

This report outlines how contact center workforce optimization (WFO) best practices can help companies maximize agent productivity and performance and illustrates how this leads to superior customer experiences. We will do so by outlining the best practices that yield superior performance gains in contact center WFO.

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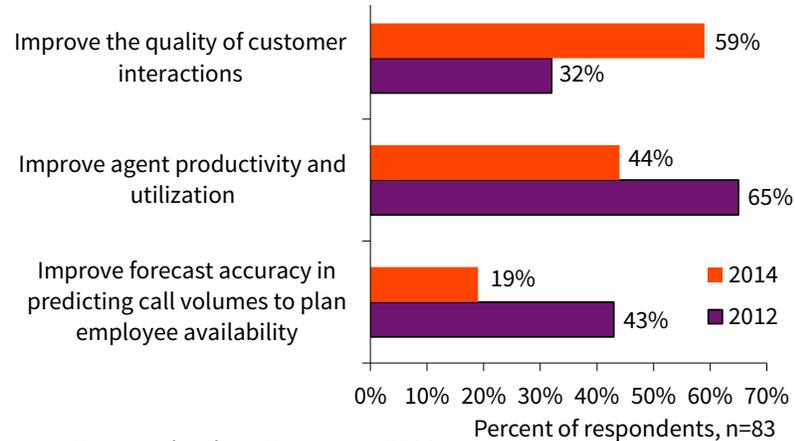
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The priorities driving contact center WFO programs have changed over the past two years. Improving the customer experience overtook the pursuit to drive operational gains; clearly marking the impact of empowered customers.

The Priorities in Contact Center WFO Have Changed

Contact center agents are in the forefront of addressing client needs, and thus have a direct and profound impact on customer experiences. This means that WFO programs in the contact center are a key ingredient impacting the overall service delivery efforts, as well as customer satisfaction. In May of 2014, Aberdeen surveyed 83 businesses regarding their contact center WFO activities. Figure 1 below illustrates the top objectives cited most frequently by those businesses, in comparison to those cited within Aberdeen's June 2012 *Workforce Management in the Contact Center: Optimizing Agent Scheduling and Productivity to Improve Customer Experience Results* study.

Figure 1: Pursuit to Delight Customers Drives CC WFO Programs



Source: Aberdeen Group. May 2014

We've witnessed an interesting shift in the priorities driving contact center WFO programs over the past two years. As companies increasingly understand (and experience) the power of empowered customers, they're changing their strategic priorities from maximizing operational efficiencies to delighting clients. Specifically, companies today are 44% less likely (44% vs. 65%) than two years ago to cite improving agent productivity and performance as a top objective. They are, however, 84%

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more likely (59% vs. 32%) than in 2012 to indicate improving the quality of client interactions as a top objective driving their WFO programs.

Despite the reduction in the percentage of companies indicating agent productivity and performance improvements as their top objectives, it's important to note that this objective is still a very important one. Indeed, it is the second top objective driving contact center WFO activities – cited by 44% of businesses. Hence, achieving success in modern WFO programs requires companies to strike a balance between constantly delivering superior client interactions and making effective use of available agent resources.

Table 1 below outlines the challenges contact center WFO users face when striving to accomplish these goals. The top challenge cited by firms is growing client demand for better service; a validation of the increasing impact of empowered customers. While the definition of better service will vary across most businesses, this reflects that companies are increasingly challenged with keeping up with changing customer expectations and meeting them through their WFO programs.

Table I: Empowered Customers Pose the Biggest Challenge

Top Challenges	Contact Center WFO Users
Demand for better service	45%
Unpredictable customer traffic resulting in overstaffing or understaffing	41%
Adapting to deliver customer care across multiple channels	36%

Source: Aberdeen Group, May 2014

When asked about the challenges impacting their contact center WFO activities, respondents to our survey had the option to indicate up to two primary challenges. Hence, the struggles

Achieving success in modern WFO programs requires companies to strike a balance between constantly delivering superior client interactions and making effective use of available agent resources.

Definition: Contact Center WFO: For the purposes of this research, Aberdeen defines contact center WFO as an organizational initiative aimed at managing a broad scope of activities (e.g. scheduling, training and performance management) in relation to the contact center workforce. Individual activities and technologies such as scheduling and eLearning are a part of contact center WFO programs. However, they don't by themselves constitute a contact center WFO initiative. It is the collective use of all the building blocks to manage agent productivity and performance through a unified platform that creates a formal contact center WFO initiative

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The overstaffing and understaffing associated with unpredictable client traffic is a growing concern among businesses as companies increasingly add multiple channels within their channel-mix.

outlined above should not be interpreted as stand-alone challenges, but rather a combination of roadblocks that prevent organizations from being able to maximize their WFO program results. Therefore, while an organization might be struggling with demand for better service, they might also be challenged with unpredictable client traffic across multiple touch-points.

The overstaffing and understaffing associated with unpredictable client traffic is a growing concern among businesses as companies increasingly add multiple channels within their channel-mix (see Aberdeen's October 2013 [Omni-Channel Customer Care: Empowered Customers Demand a Seamless Experience](#) study for more on this topic). This means contact centers must factor in the traffic that comes across different channels when forecasting and scheduling agents. We'll discuss how the leading WFO users overcome this issue as part of our overview of the scheduling best practices in this report.

What Does it Take to Become a Leader in Contact Center WFO?

Despite the challenges listed above, research shows that there is a leading group of contact center WFO users who excel in overcoming these roadblocks. These businesses distinguish themselves through their success across three key performance indicators (KPIs) illustrated in Table 2.

Table 2: Leaders Pave the Way for Success

Performance Findings	Leaders	Followers
Current - First contact resolution rate	84%	45%
Year-over-year change in customer satisfaction	17.8%	-3.9%
Year-over-year change in average handle time	5.4%	1.1%

Source: Aberdeen Group, May 2014

The findings above show that the WFO activities used by Leaders help them increase customer satisfaction scores by 17.8% year-over-year, compared to a 3.9% decrease by Followers. There are

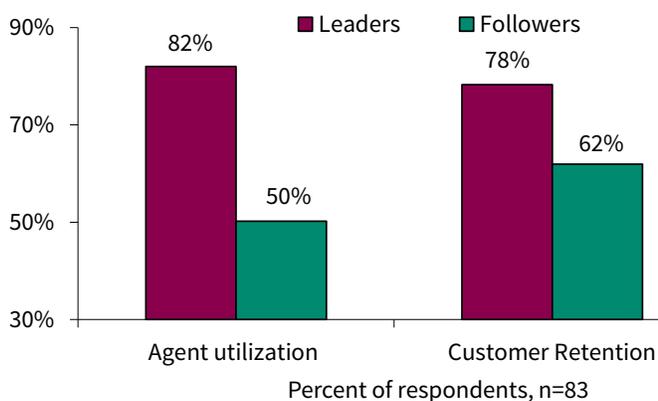
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different ways to measure customer satisfaction scores (e.g. Net Promoter Score); however, observing annual improvement provides an even ground to assess how companies delight their clients – regardless of the measurement method. Comparing the increase in customer satisfaction rates achieved by Leaders versus the decrease experienced by Followers, we can conclude that the Leaders are accomplishing the primary objective: improving the quality of client interactions.

The leading firms complement strength in satisfying clients with operational efficiencies. Specifically, they reduce the time to handle client needs and improve the percentage of issues resolved during the first interaction with a customer, in other words, first contact resolution rates. Figure 2 below demonstrates that as a result of such operational improvements, Leaders utilize 63% more (82% vs. 50%) of their available agent time compared to Followers.

Leading contact center WFO users enjoy 17.8% annual increase in customer satisfaction rates, compared to a 3.9% decrease by Followers.

Figure 2: Top Performers Maximize Agent Utilization Rates



Source: Aberdeen Group, May 2014

The performance benefits of leading contact centers extend far beyond the ones illustrated above. Table 3 below shows how putting in the right strategies and leveraging effective technology tools helps Leaders outperform Followers in improving a wide range of additional KPIs year-over-year.

Table 3: Leaders Enjoy Top-Notch Annual Performance Improvements

Year-over-year Performance Change	Leaders	Followers
Agent utilization rate	32.3%	-3.9%
Improvement in number of customer complaints	10.9%	-2.8%
Improvement in average cost per customer contact	7.2%	-9.3%
Average revenue per call	6.6%	-31.1%
First contact resolution rates	5.9%	-5.8%
Agent productivity	5.2%	-7.1%
Time spent by supervisors assisting contact center agents	5.1%	-8.6%
Customer lifetime value	4.8%	-10.2%
Number of positive mentions through social media channels	4.3%	-9.6%
Average profit margin per customer	3.8%	-8.1%
Improvement in agent overtime costs	1.3%	-11.3%

Source: Aberdeen Group, May 2014

In addition to driving annual improvements in customer satisfaction scores, Leaders also enjoy substantial (7.2%) enhancement (decrease) in their customer care costs. Conversely, Followers experience a 9.3% worsening (increase) in their service costs. The same leading group of firms also boosts their financial strength by reallocating the cost savings into projects that drive more revenue for the business, and hence, increase average customer profit margins. Once again, Followers experience a decrease in this measure.

The number and breadth of the KPIs above reflects that the path paved by the Leaders is one that truly maximizes organizational performance – both in terms of operational results as well as delighting the customers. Now let's take a look at the building blocks that help Leaders accomplish these improvements.

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Key Building Blocks

Leading contact center WFO users accomplish the aforementioned results by putting four important building blocks in place:

- ➔ **Optimize Agent Scheduling:** Aberdeen's October 2013 [Omni-Channel Customer Care](#) study shows that 99% of contact centers are using at least two channels to interact with clients. This means that they need to adjust their scheduling activities to anticipate and address demand coming through multiple touch-points. Read our June 2014 [How to Schedule Agents in a Multi-Channel World](#) to learn about the best practices Leaders utilize to reduce overstaffing and understaffing when scheduling agents across multiple channels.
- ➔ **Streamline Process & Organizational Management:** As noted earlier, driving a top-grade customer experience is the leading objective influencing contact center WFO programs. One of the key requirements to accomplish this goal through WFO activities is connecting the right customer with the right agent – one who has the knowledge and skills to address the specific client issues. However, this is easier said than done. Read our June 2014 [Engaged Agents, Satisfied Customers: Four Steps to Maximize your Contact Center WFO Results](#) study to learn how leading contact center WFO users connect the right customers with the right agents. You will also learn how these top performers maximize agent engagement and foster a collaborative work environment.
- ➔ **Maximize Training Results:** Contact center agents are in the front-lines of servicing client needs and impacting customer experiences. Hence, ensuring that every agent

Contact centers using multiple channels to interact with clients must adjust their scheduling activities to anticipate and address demand coming through multiple touch-points.

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Only 68% of agent time is spent serving customers. With the exception of training programs and other value add activities, such as supporting the back-office, the remaining agent time means unnecessary costs for the business.

performs effectively and that agent skills remain up-to-date with evolving client demands is of utmost importance. Training programs help contact centers achieve this objective by onboarding new agents with the necessary knowledge to rapidly become productive. They also help in fine-tuning agent skills over time. Read our June 2014 [How to Get the Most out of Your Contact Center Training Programs](#) study to learn more about what Leaders are doing to continuously empower agents with the necessary knowledge to delight customers.

→ **Optimizing Performance for Continuous**

Improvements: The top objective driving contact center WFO programs, improving the customer experience, is closely followed by the pursuit to drive operational improvements. This means that contact centers need to adopt a two-pronged approach of constantly striving to meet client needs while seeking opportunities to make better use of their available agent resources. This is crucial as only 68% of agent time is spent serving customers. With the exception of training programs and other value-add activities, such as supporting the back-office, the remaining agent time means unnecessary costs for the business. Read Aberdeen's June 2014 [Follow the Leaders to Optimize your Contact Center WFO Efforts](#) study to learn how leading WFO users minimize such unutilized time and reduce costs.

Research shows that businesses that enjoy the best results from WFO efforts also deploy a wider range of technology tools, compared to those with lower performance.

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Technology Maximizes Results

The technology tools utilized to support leading contact center WFO programs can be broken into two main groups: 1) WFO-related technologies and 2) broader contact center technologies. Table 4 below illustrates the WFO-related technology tools. While it's evident through categorization, these enablers are primarily utilized to manage the WFO activities within contact centers. Broader contact center technologies, on the other hand, are utilized as part of both WFO efforts and other customer care processes.

Table 4: Leaders are More Likely to Deploy Contact Center WFO Technologies

Current Adoption	Leaders	Followers
Time and attendance management	94%	49%
Employee engagement surveys	75%	44%
eLearning tools	70%	49%
Vacation planning tools	68%	43%
<u>Workforce optimization</u>	63%	41%
Pre-hire assessment tools	63%	33%
Screen recording	63%	29%
Automated agent routing	60%	38%
<u>Intraday Management</u>	60%	30%
Automated agent scheduling	53%	23%
<u>Unified agent desktop</u>	45%	22%

Source: Aberdeen Group, May 2014

The tools depicted above help firms execute numerous activities to hire, train, and manage the contact center workforce. For example, pre-hire assessment tools help in evaluating agent candidate skills to see if they match the desired skills. Those desired skills are determined by analyzing the common characteristics of high-performing agents through analytical tools to develop a profile of top performers.

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- [Read the full report, “Workforce Optimization in the Contact Center: Secrets to Improve Agent Performance”](#)
- [Related Research “The Strategic Value of Intraday Management in the Contact Center”](#)

Tools such as time and attendance management help companies track and manage agent schedules. [Intraday management tools](#) help companies manage fluctuating agent demand throughout the day based on client traffic and agent productivity. By doing so, it helps companies optimize staffing levels and reduce the likelihood of overstaffing and understaffing.

[Workforce optimization tools](#) compile several of the individual capabilities depicted above within one solution. For example, they provide companies with the ability to schedule and train agents, manage their performance, and fine-tune hiring activities – all within the same platform. Leaders in contact center WFO are far more likely to use all these technologies, compared to their lower-performing counterparts.

Leaders complement the use of WFO-related technologies with broader contact center technology enablers. This group of technology tools provides organizations with the necessary levers to maximize the benefits of WFO activities. See Table 5 for a list of these important supporting technologies.

Table 5: A Richer Technology Toolbox Facilitates Better Results

Current Adoption	Leaders	Followers
ACD	89%	61%
Call recording	79%	59%
Database management	74%	37%
Enterprise or customer feedback management tools	72%	30%
Business intelligence	68%	46%
Predictive analytics	56%	27%
Desktop analytics	40%	30%
Text analytics	32%	7%

Source: Aberdeen Group, May 2014

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[Call recording tools](#) help companies store audio files of previous phone and interactive voice response (IVR) conversations so these files can then be accessed manually by a supervisor or analyst to listen and identify coaching and training opportunities. If the organization is using a [speech analytics](#) system, these audio files would be analyzed automatically, which enables assessing more calls and provides greater opportunity to monitor agent performance as well as conduct quality assurance.

Tools such as automated contact distribution enable contact centers to match the right customer with the right agent. This is done by using several different criteria, such as the nature of the client issue or the area the customer is contacting from, to design and execute workflows that automatically direct the right customer to the right agent.

Database management tools help firms scrub, cleanse, and integrate the structured and unstructured data captured across different enterprise systems, thus alleviating the likelihood of lacking integration between different systems. Once organizations streamline their data management processes, they then use analytical tools (e.g., business intelligence, predictive analytics, text analytics, and desktop analytics) to convert data into insights—see Aberdeen's May 2014 [Contact Center Analytics: Make \(Better\) Use of Your Data](#) study to learn more about these analytical tools.

Recommendations

Contact center WFO programs today are about more than just scheduling the right amount of agents and matching customer issues with agent skills. While those are still important to create a top-notch WFO program, the leading contact centers build their efforts around improving the customer experience across every touch-point. This becomes even more important as 99% of contact centers use at least two channels to interact with clients.

Invest in tools and processes that will empower your agents to become more productive.

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Those clients are increasingly demanding timely and personalized service across each touch-point.

Leading contact center WFO users achieve success in meeting these demands, and thus outperform Followers across a wide range of KPIs. These include metrics such as customer satisfaction rates, agent productivity, and overall service costs. Aberdeen recommends companies adopt the following activities to replicate and maintain the success of the Leaders:

→ **Consider agent productivity and performance as an investment towards better customer experiences.**

Making better use of available agent resources is about more than simply enhancing contact center operations. Invest in tools and processes that will empower your agents to become more productive. This will ultimately enable them to better serve clients, and will therefore help you get closer to accomplishing the most important goal driving contact center WFO programs: delighting the customer.

→ **Incorporate multi-channel in all your contact center WFO activities.**

The growth in the number of customer / company touch-points is not going to be reversed anytime soon. As customers self-empower themselves with technology tools, they increasingly demand new ways to interact with businesses and address their needs. We recommend adopting and nurturing a [voice of the customer \(VoC\) program](#) in integration with your WFO activities in order to capture client feedback on channels of preference. By using a VoC program in conjunction with your contact center WFO activities, you'll be able to identify which channels your customers prefer. This should be combined with analyzing historical customer traffic data through business intelligence tools to develop

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reliable forecasts of agent demand across different touch-points. This will also help you reduce average wait times for clients, as well as service costs associated with overstaffing and understaffing.

→ **Use customer behavior and feedback as a key ingredient of managing your contact center WFO performance.** Companies are nowhere short of KPIs to measure their performance. In the abundance of metrics, it's important to use the right ones to gauge the strengths and weaknesses of WFO activities. Considering that the top objective driving contact center WFO efforts are centered on delighting the customers, we recommend organizations integrate customer satisfaction and client retention rates as part of the metrics used to assess the impact of WFO programs. This will ultimately help firms better align efforts to manage agent productivity and performance with the expectations of the empowered clients, and therefore lay the groundwork for continuous success.

For more information on contact center or other related research topics, please visit <http://aberdeen.com/center/CMAV/practice.aspx>.

Related Research

[Customer Service Analytics: Exploit Data to Improve the Customer Experience](#); April 2014
[Voice of the Customer: Big Data as a Strategic Advantage](#); April 2014

[Streamlining the Agent Experience Reduces Unnecessary Costs](#); March 2014

[Optimizing the Self-Service Experience: Help Customers Help Themselves](#); February 2014

[Enterprise Social Collaboration in Customer Service: Better Teamwork Unlocks Customer Delight](#); January 2014

[Contact Center and CRM Integration: A Data-Driven Approach to Delight Customers](#); December 2013

[Omni-Channel Customer Care: Empowered Customers Demand a Seamless Experience](#); October 2013

[Advanced Case Management: Empower the Knowledge Worker](#); October 2013

[Next Generation Agent Desktop: Address the Empowered Customer Trend with Happy Agents](#); October 2013

[Speech Analytics: Making Effective Use of Voice in a Multi-Channel World](#); September 2013

[The Strategic Value of Intraday Management in the Contact Center](#); July 2013

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Our process is simple – we conduct thousands of surveys every year to identify top performing organizations and uncover what makes them different. We share these insights back with the market in the form of in-depth research reports and content assets to help our readers build business plans capable of driving better results with the right set of tools to help them get there.

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