

# Exploding the Myth of Contact Center Performance Management

Delivering the Desired Customer-Focused  
Business Outcomes

## White Paper

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*Aligning Business and IT to Improve Performance*

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## Introduction

In today’s business environment, contact centers play a vital role in achieving a company’s customer-focused business objectives such as customer acquisition, retention and revenue generation. As such, the contact center is far more than a costly necessity, it is a strategic asset that should be measured on a much broader business-based set of metrics that includes business (financial), operational (throughput), customer-focused (satisfaction, value) and agent (retention) goals.

But nowhere is performance management more misunderstood than in the contact center. Most centers focus on two issues: achieving the greatest throughput of customer interactions at the lowest cost, and making sure agents spend as much of their shift as possible handling customer interactions. With agents accounting for approximately two-thirds of the cost of running a center, contact center performance management is therefore in many instances misinterpreted as agent performance management.

Another fallacy is that performance management is primarily about improving **efficiency** – about increasing that throughput at lower costs. Although efficiency is always an important consideration, more mature companies recognize that another measure, **effectiveness**, is of equal importance. Sometimes handling a customer interaction properly can take longer than average, but if the outcome is beneficial to both the customer and the company, it may well be worth it. To make that judgment companies need to evaluate the performance of their contact center in the context of the business’s overall goals and objectives, and in light of how other departments such as marketing and sales are interacting with customers. To do that, they must access and interpret data managed by systems that are distributed across multiple business units, and produce information based on a common platform from which all users can make decisions.

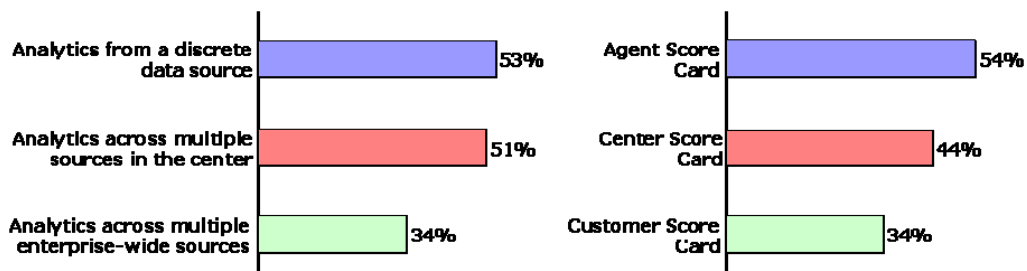
## Refocusing on the Real Issues

### Contact Center Performance Management

Contact center performance management (CCPM) is the alignment of people, processes and technology in the contact center to meet operational goals and to deliver the desired customer-related business outcomes.

The essential connective tissue for the management of performance is good information. Information is derived from data, and businesses have large volumes of customer-related data, both inside and outside the contact center, for example, call records, emails, CRM transactions, and Invoices. The question that then presents itself in the quest for contact center performance management is how to access all that data and convert it into meaningful information for business users, contact center staff, and customers.

### The Information Challenge



Research completed by Ventana Research in 2006 indicates that many companies have great difficulty accessing and interpreting all the required data. We found that while 53 percent of companies can derive analytics from a discrete data source (a single application) and 51 percent can do the same from multiple systems if they reside within the contact center, only 34 percent can generate analytics using data sources from across the enterprise. The net result is that more than half of companies can produce an agent scorecard because the data is all within the center, 44 percent can produce an operational scorecard because the data is all in-center, but barely more than one-third (34 percent) can produce the more valuable business-related, customer-focused scorecard. Why? Because the data needs to come from systems scattered around the organization. This challenge of accessing different, widely dispersed data sources only serves to reinforce the focus on throughput and agent performance.

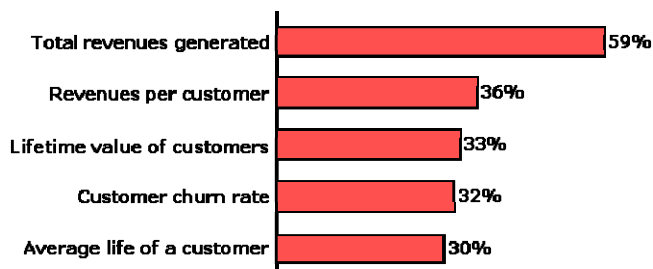
### **Contact Center Operational Challenges**

The operational performance of a contact center depends on the successful integration and alignment of people, processes, and technology.

#### **People**

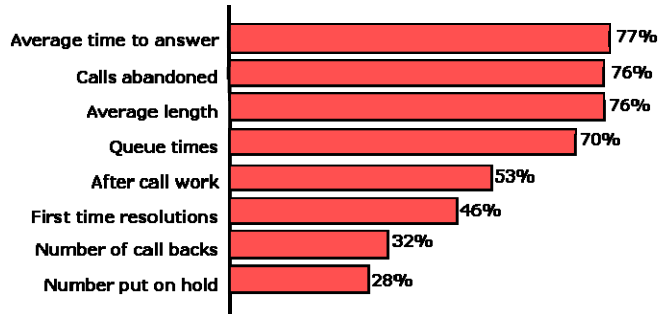
There are several groups of people with an interest in how the contact center is performing: business users, contact center operational staff, technical support, customers, and possibly interested third parties such as suppliers. Each has a different, and sometimes conflicting, view of CCPM.

Business users want, and need, a business view.



The Ventana Research study clearly showed that the top priority for business users is the cost of running the center. After that, they want to see what business the center is generating and what customers think of the company, which more often than not is bundled into a simplistic measure of customer satisfaction. More mature companies want to move beyond this and see how long customers have remained with the company and what new business they have purchased. These performance measures are hard to extract because they need data from several systems not usually associated with the contact center, for example, ERP for billing and payment data, product usage from a telephony customer care and billing system.

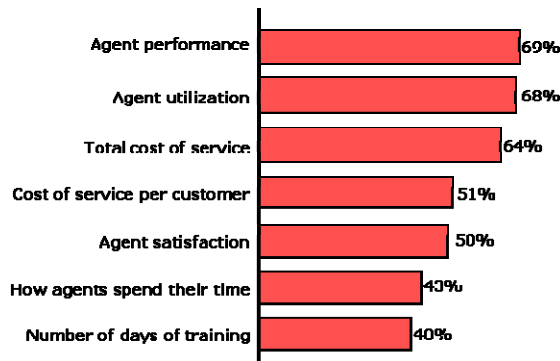
Operations have two perspectives; how the technology and interaction handling processes are working, and how agents are performing.



These operational measures tend to be the traditional contact center performance measures but with added complications. Today, customers insist on the right to communicate with companies through channels of their choice – the telephone, of course, but also email, fax, the Web, text or instant messaging (IM) and even video. Controlling all these channels requires a lot of different pieces of specialized, largely proprietary hardware and software. Extracting data from these requires expert knowledge and specialized software – tools that only a handful of companies have.

The problem doesn't stop there; the extracted data comes in forms specific to each piece of equipment (for example, a call record from one call switching vendor is very different from that of another vendor) and so it must be interpreted before it can be presented as information that is understandable to non-technical users.

This information is also vital for the technical support staff so they can understand how the base infrastructure is working and what they need to do to optimize performance.



Agents are vital to the performance of a contact center – it is often said that good agents can overcome bad processes and technology, but the reverse is not true. And despite the move to alternate channels, the telephone remains the most popular choice. Understanding how agents handle telephone calls is therefore a key part of understanding how centers are performing. But to fully address performance, the priority needs to change from efficiency measures (How many calls did an agent handle? What agent has the shortest average handling time?) to how effective the agents are (How long does it take to achieve a sale? How long on average does it take to convince a delinquent payer to settle his or her invoice? How many calls resulted in a high-value customer being saved from defecting to the competition?).

And then there are customers. Customers are the life blood of companies; if companies aren't able to attract, retain and sell to customers then they will suffer in ever increasingly competitive markets. For many companies the onus for this lies with the contact center. How the contact center performs will have an immediate impact on the customer's perception of the company and will greatly influence their decision as to whether to stay with the company or take their business elsewhere.

Customers have a completely different view of how centers are performing which is based more on emotional and effectiveness considerations rather efficiency. That is not to say they are happy sitting in a queue waiting for an agent, but what they really want is a well informed agent that is able to resolve their issue. Understanding whether a company is meeting these goals is hardest of all and requires moving beyond traditional quality monitoring processes to combine data from existing sources with new sources such as recorded calls and IM scripts, and to add outcome analysis that focuses on probable business outcomes.

### **Processes**

The contact center is just one of several potential business units that interact with customers. Marketing runs campaigns to generate additional business opportunities which may or may not be executed through the contact center. Finance deals with sending customers invoices and processing their payments. Field service meets customers as they either install or maintain their products. Each of these has their own discrete set of processes and systems to manage their data. The contact center is no different. It has some very specific processes associated with how to manage interactions: how to deal with a technical inquiry, how to deal with a compliant, how to escalate to a supervisor, under what circumstances a call can be put on hold.

Many of these needs to fit within overall business processes that should span more than one business unit, for example, a customer might call as the result of a marketing campaign so the center needs to know this, the agent needs to know how to handle a sales call, and the agent needs to respond within the context of the overall sales processes and the callers profile. To achieve the best outcome for the company and the customer, at each step within their process the agent needs the right information to make informed decisions. To do that the interaction handling processes need to put into the context of the enterprise-wide processes and information needs to be derived from all the required data sources. This then needs to be summarized into different views to support supervisors, managers and business users.

### **Technology**

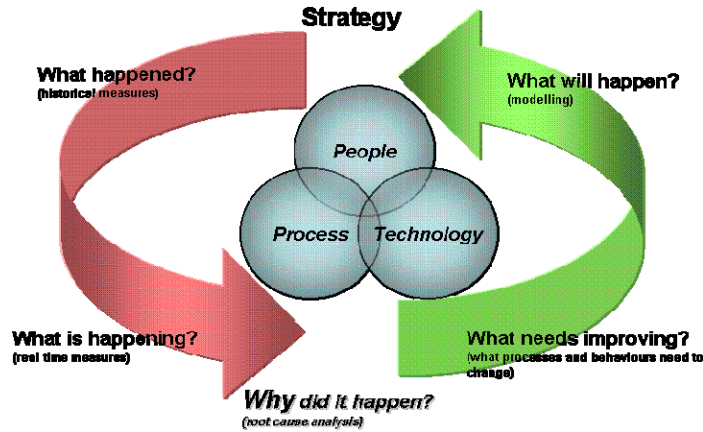
Most companies have a complex and sometimes highly convoluted systems architecture, which will have been evolved over years and contain a mixture of legacy and new applications. The contact center is no different and is, if anything even more complex. As well as multiple computer systems they contain the complex infrastructure systems needed to manage communication channels and networking between agents, different contact center locations, and to other interest business units. Each of these manages different type of transactions: a call, an email, a contact record, a workflow item.

To ensure all of the technologies support the efficient and effective operation of the contact center, the CCPM system needs to integrate with, and sit above all them. It needs to extract data from all these sources, and analyze it in different dimensions to derive the measures, reports, and dashboards needed by different users as they execute all the different processes. It also needs to create different views from the same base data so that all interested parties can see how the different aspects of the center are working and what, if any improvements need to be made.

## **Approach For Improving Contact Center Performance**

Improving contact center performance begins with the company's business strategy. Is it to acquire as many new customers as possible? To up-sell to existing customers? To keep high-value customers at any cost? Without a strategy and

quantifiable goals for managing customer-focused activities that extends across the entire business, including the contact center, customers will get a raw deal, because they won't be handled consistently across all business units and communication channels, and the resources will not be properly aligned to provide a consistent level of service or experience.



First and foremost it is about developing a repeatable approach that begins by deciding how to handle all customer interactions – internal and external, wherever and however they occur – to achieve desired business goals. It is about understanding how these interactions were handled in the past and what the outcomes were. It is about understanding what is happening today – why customers are calling and how agents make real-time decisions about what to do. Very importantly, it also is about understanding why each interaction happened – was it an external event such as a cable outage that caused a flood of calls from irate customers, or was it something the company did, such as announcing a special offer that the contact center wasn't told about.

Once the company understands what happened, it can begin to consider how to change its operations to improve what happens in the future – how, specifically, processes can be changed, how agents can be trained better, how calls can be routed to put the customer in contact with someone better equipped to deal with him or her and the particular issue at hand, and what additional information an agent is likely to require to resolve that issue. Information from the CCPM system therefore needs to identify what needs improving and to predict the likely business outcomes.

Once the desired changes are agreed, then comes the hard part: aligning the whole company behind the new approach. Change is very difficult. Altering people's attitudes and work styles is hardest of all. Change becomes possible when people are given information in a form that allows them to understand the need to change, what their role ought to be in that change and what the expected results are. And of course they will need to see what's in it for them. The same Ventana Research research program found that one-third of companies felt they needed to change the reward programs of both their contact center management and agents in order to induce a change of approach that was more aligned to both business and customer needs, rather than efficiency gains. The research indicated that customer-facing employees want to be reassured that the information newly being collected will not be used to apportion blame but rather to drive a more positive approach to serving customers.

## How Technology Can Help

### ***Contact Center Technology***

Technology has always played a major role in the operation of contact centers – to automate processes such as routing calls, to drive out costs (for example, through self-service) or to innovate, (for example by offering alternate communication channels such as IM and video). The number and different types of systems required to build even a basic contact center today is a question central to the effective running of a center. This might include an automated call distribution (ACD) system or a VoIP contact management system, email/fax/web servers, document scanning, Computer telephony interface (CTI), call routing, CRM, knowledge management, agent scheduling etc. Each of these is totally different and the data they manage couldn't be more different. But, with the volumes of data being processed each plays a part in managing these different types of data and supporting different processes.

### ***Contact Center Performance Management Technology***

Contact center performance management technology has largely been focused on communication channel and agent performance management. The performance of the communication channels is mostly provided through reports generated by the technology provider and agent performance has mostly come from the quality monitoring process. By themselves they only provide part of the answer. Many companies have come to realize that to optimize business performance they need a 360 degree view of all the interactions they have with customers. To do this they need to access all the diverse and complex sets of data held in the contact center and systems that reside outside the center; and then to make business sense of it. Doing so involves far more than just storing and analyzing data; it requires having a CCPM system that can accept data from all the different types of systems so the data can be extracted, aggregated and made ready for analysis and visualization. Without a specialized CCPM system, extracting and analyzing the data is difficult, risky and time-consuming.

Making sense of the data is also a challenging task that requires specialized knowledge and skills. Merely loading the data into an enterprise warehouse is not going to satisfy some of the unique business requirements of interaction handling. For example, first call resolution has always been one of the top effectiveness metrics for call handling. In the past, generating this metric was relatively simple: Did the agent resolve the customer's issue on the first call? Now, however, a "call" can be any of a range of interactions through different channels – a visit to the Web site, for example, that results in a call via an interactive voice response system into the contact center. Identifying that these contacts all constituted one "call" is hard enough; establishing why they weren't resolved at each step in the process is an additional challenge. In a multi-channel environment where interactions are being handled in different parts of the company, measuring first interaction resolution is therefore much more difficult, requiring systems that are purpose-built for the job.

Gaining access to all the required data from both inside and outside the center in a form that can be used to derive the desired information is only the first step. The data then needs to be analyzed and visualized in different ways to meet the needs of different categories of users. Agents need their view; supervisors, managers and executives need their view; partners and suppliers need their view; and it may just be that customers need a view as well.

Spreadsheets and the enterprise data warehouse are the most commonly used tools in attempts to achieve this end, but both have their limitations. Working with spreadsheets is extremely time-consuming, they have limited functionality and are open to human error. The enterprise data warehouse may require complex

programming to produce the required outputs or reflect business changes in reports. Dealing with customers, especially on the phone, happens in real time, so agents and supervisors need information that is up-to-date and available in near-real time in order to make the decision how to handle the customers' issues. More mature companies recognize these limitations and turn to more specialized CCPM systems to support their needs. These contain pre-built components that interface to the common systems found in contact centers, making them quicker and less risky to implement than a data warehouse or general purpose Business Intelligence (BI) system.

### **Other Technologies**

Business process management plays a part in defining and maintaining the contact center processes. Contact centers are normally quite good at understanding their own world of processes – inquiry call handling, escalation and hand-off processes. Typically, though, companies are not so good at placing these in the context of enterprise-wide processes. For example, where does a sales follow-up call into the contact center fit within the wider sales lifecycle? Companies should evaluate how business process management systems can be deployed to develop interaction handling processes that fit within a series of integrated, consistent enterprise-wide processes.

Agent Workforce management systems (AWMS) tend to focus on understanding past call patterns and planning agent work schedules so there are enough skilled agents available to take the expected future call volumes. They then look at the impact of changes in call patterns and actual availability of agents to optimize future agent work schedules.

Both BPM and AWMS therefore are key systems for running an efficient contact center. Part of the data they manage also needs to be included into the CCPM system for integration with the other data needed to provide the big picture.

## **Contact Center Performance Management in Practice**

The contact center is at the heart of handling customer interactions, but it is not the only point of contact with customers. Interactions can occur in marketing, sales, customer service, field service, and finance. In fact, in these days of the virtual center they can occur anywhere so that each interaction is handled by the most appropriate person to deal with an individual customer's issue. Contact center performance management today therefore is about understanding how everyone who interacts with customers, how all the processes that touch the customer, and how all the channels of communication are performing. And it is about having in place an approach that aligns all of these, from the top to the bottom of the company, across all business units and, where appropriate, extending to third parties as well. And it is about everyone having the right information, at the right time, in the right format that will help them deliver the expected business goals

Information is key. Getting information means accessing all data sources and analyzing this in different ways to meet all user requirements. And it requires flexibility. No two calls are the same; customers all behave differently and have different preferences, agents react differently to different situations, and business priorities can change even from minute to minute. Any CCPM system therefore needs to be flexible enough to cope with changing business priorities, changes to the organization, customer segment refocusing, new products and services, new channels of communication and new and different sources of data. So once installed, users need to be able to configure the system to meet their short term needs without having to go through a complex and time consuming change process.

But information on its own not enough. The contact center likely is the place within a company where indications of things done correctly or incorrectly first surface – a flood of sales inquiries after a positive advertising campaign, for example, or a deluge of complaints about a faulty product. The performance management system needs to produce this information, in a form understandable by everyone, so the company can drive change and address process problems that are contributing to high volumes of calls or other customer interactions. The information must support better business and customer-rated decisions, and it must help bring about change, and not just in the contact center.

## Conclusion

Our research showed that 28 percent of contact centers around the world have reached the innovative level of maturity, the highest of the four levels in the Ventana Research Maturity Model. These more mature companies have realized the importance of contact center performance management in delivering their business goals and objectives, especially in increasing customer satisfaction in its widest sense. They see it is about understanding, optimizing and aligning the organization, its processes and its technology with the ultimate goal of attracting, retaining and selling to potential and existing customers. As companies virtualize their centers, CCPM will play a vital role in monitoring and assessing all these customer-focused operations and interaction handling wherever they occur in the company. Achieving this requires utilizing all the sources of customer-related data. Managing the technology needed to process this data requires specialized applications and an expert understanding of how contact centers work. Companies that successfully put these elements together will be better positioned to improve both the efficiency and effectiveness of their contact center and other customer-facing operations.

## About Ventana Research

Ventana Research is the leading performance management research and advisory services firm. By providing expert insight and detailed guidance, Ventana Research helps clients operate their companies more efficiently and effectively. We deliver these business improvements through a top-down approach that connects people, processes, information and technology. What makes Ventana Research different from other analyst firms is our focus on Performance Management for finance, operations and IT. This focus, plus research as a foundation and reach into a community of more than two million corporate executives through extensive media partnerships, allows Ventana Research to deliver a high-value, low-risk method for achieving optimal business performance. To learn how Ventana Research Performance Management workshops, assessments and advisory services can impact your bottom line, visit [www.ventanaresearch.com](http://www.ventanaresearch.com).