

December 1999

Reengineering a Call Center Using a Performance Measurement System

Edward Chen

Southeastern Louisiana University

Follow this and additional works at: <http://aisel.aisnet.org/amcis1999>

Recommended Citation

Chen, Edward, "Reengineering a Call Center Using a Performance Measurement System" (1999). *AMCIS 1999 Proceedings*. 231.
<http://aisel.aisnet.org/amcis1999/231>

This material is brought to you by the Americas Conference on Information Systems (AMCIS) at AIS Electronic Library (AISeL). It has been accepted for inclusion in AMCIS 1999 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

Reengineering a Call Center Using a Performance Measurement System

Edward T. Chen, Southeastern Louisiana University, Hammond, LA 70402, echen@selu.edu

Abstract

Enhancing customer loyalty and eventually increasing profitability can be facilitated by the services of a call center, which takes charge of customer service calls and acts as a repository of marketing information. The most expensive and important resource a call center has is its people. Support of the call center staff is critical to maintaining quality of service. This paper describes the determination of installing a performance measurement system for a call center in a beauty-supply corporation. This PMS is essential to improve organizational productivity as one of several information system priorities. Many practical implications have been derived in this case study.

Introduction

This paper is to report the efforts and findings from helping a family-owned company (the Company) implement a performance measurement system (PMS) in its call center as a partial result of a business process redesign (BPR) project. This company is founded in 1966 with annual sales of \$30 million dollars. The core business for this company is a wholesale distribution for the professional salon industry. The company offers business and education programs for aspiring cosmetologists and manicurists. The Company is also the owner of numerous Environmental Lifestyle Stores, Concept Salons, and Spas at six metropolitan shopping malls. Its sales territory covers ten states in the southeastern region of the United States, which covers Texas, Arkansas, Oklahoma, Louisiana, Mississippi, Alabama, Georgia, North Carolina, South Carolina, and Tennessee.

The Company's Call Center is a relatively small one. It handles around 3,000 inbound calls per week and makes around 500 outbound call per week. But it services a ten-state wide region. There are about twenty agents on the phone and six administrators.

A critical element of call center management is evaluating the appropriate use of human factors involved (Klenke, 1993). When we took the case to improve its call center operations, we first studied the service level and occupancy. After collecting data from its call center associates and administrators, we soon realized that actual job performance was not a real factor in employee compensation reviews. At the time, the company did not have a performance measurement system in place. So instead of reviewing hard data to determine whether an

employee was eligible for a raise, a team leader would base the review on his or her perception of the individual.

Scenario

As we began to research the area, we found something was even more disconcerting. There were tons of articles describing the importance of monitoring and logs in performance. But nothing really tied the performance areas together in one system. It seemed that a good performance measurement system should include monitoring, actual data for outputs, attendance, and productivity. In fact, finding information on how to implement such a system was needed to complete the BPR project (Hammer and Champy, 1993). The information includes how to determine what to measure, the critical factors of performance measurement, resistance to measurement, and ways to overcome this challenge.

This paper is intended to take you on the journey of implementing a performance measurement system. Topics will include the implementation and development of the Company's Performance Measurement Plan. Since the implementation is a work in progress, the description of the plan will be a broad overview.

Call Center

A Call Center generally handles calls that come in (inbound) and calls that are made out to existing customers, leads, prospects, etc. (outbound). Within each call center there are groups or teams who have different job responsibilities. The Company's Call Center is broken down into five teams. These include Customer Service, Account Management, Special Projects, Collections, and Leggo Team.

Customer Service Team is responsible for salons who are not called on by Account Management Team, which includes a 10-state region. The team is also responsible for inbound and outbound calls to those same customers.

The Account Management Team (AMT) focuses on certain geographical locations in a 10-state region. The responsibilities of the AMT include biweekly outbound calls to its customer base, all inbound calls for that area, opening new accounts, and handling any extra matters for its area

The Special Projects team handles outside contract work. The responsibilities will vary from job to job but they mostly contain making outbound calls for a campaign and receiving inbound calls from those contacted customers.

The Collections Team collects money from aging reports. This team was also being measured by the same standards as the Customer Service Team. Finally, the Leggo Team consists of managers. No data was being collected on this team. As one can probably see, this method of performance measurement was very ineffective. Because each team had a different purpose, different set of activities, and yet different group dynamics, the performance measurement should have been based on the individual team.

As for data sources, the Company used many collected data for performance measurement. One of these sources is the Automated Call Distributor (ACD). This piece of equipment could measure how many calls were offered on inbound, how many were handled, how long it took to handle the call, how many hours individual was logged in for calls, how productive they were. For outbound calls, the ACD can measure how many calls were made out and how long the individual was logged in (Bodin, 1997; Fleischer, 1998).

Other data sources include Excel spreadsheets. These spreadsheets contain a variety of data. Log-in performance is documented in one of these spreadsheets. This information comes from the ACD and is compared to the manual schedules in a spreadsheet. Excel is also used to measure the schedule adherence. Taking an employee's master schedule monitors schedule adherence and the schedule is then used to compare the actual clock in hours.

The Company also has a transaction processing system (TPS). This comes in the form of the Contact Management Outbound system. This system monitors all the activity on the outbound outputs and can generate reports such as tasks completed by employee, number of past due tasks, number of tasks due today, outcomes for a specific track, etc.

The last source that we use is the manual systems. Although the Excel spreadsheets are also created and maintained like a manual system, this is a separate section because these systems are completely manual input with no data directly from TPS. These manual systems include observation forms for monitoring, attendance information, and a manual personal development system.

Performance Measurement System

A performance measurement system (PMS) can be used in the operational planning of the call center, the

functional decision-making, productivity improvement, and evaluation of strategic goals. Besides these benefits, this system can also provide the compensation reviews, customer's expectations, benchmarking, standards, and process improvements.

Productivity is one of the traditional measures of an organization's effectiveness. Following the tradition of those who felt that "lines of codes" was an accurate measure of a programmer's skill (Brooks, 1975), "calls answered" was thought to be appropriate measure of a call center associate's performance. However, the performance of a call center associate should be defined within the context of the organization trying to measure it. After interviewing the associates and administrators, responses are more along the line of how well he or she handles the telephone inquiries (Baroudi, Olson, and Ives, 1986; Seilheimer, 1987).

Sherwood (1994) identifies among three important factors when measuring outputs in service industries. He proposed that productivity should be measures using two approaches. The first approach is to measure the service transaction unit itself and make appropriate adjustments for change in quality. The second approach is to measure the outcomes resulting from the performance of the service in question. He also proposes that changes in quality actually consist of two aspects: product innovations and process innovations. Methods for understanding how to bring about process and product innovations will contribute to the ultimate goal of improving outcomes and, therefore, productivity in the service sector. In order for a business to truly succeed, it must have proven processes that are followed consistently (Davenport, 1993). If a process is not followed consistently, the data is sub-population data or aggregate data and is useless (Zahedi, 1995).

Hence, three critical factors, outputs, outcomes, and processes can be used to measure productivity. An effective performance measurement system should measure outputs, outcomes, and processes. Outputs can be thought of as how much of the desired goods or service was produced. Outcomes can be thought of as how well we produce the output. Finally, the system should measure the processes that govern the completion of the output.

This begins with simply determining if the data is needed and then stemming that back to the process from which the data was collected. Is that process necessary? If that process is necessary, then how well are we doing it? This deployment of a PMS is depicted in Figure 1.

Implementation of PMS

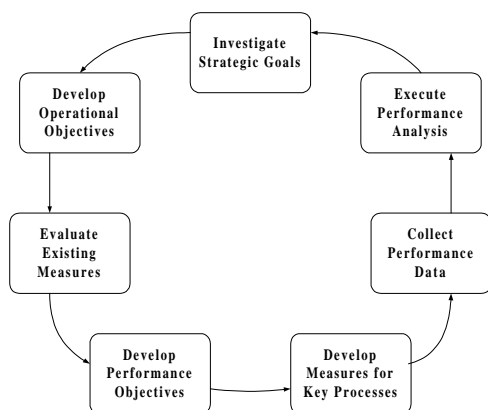


Figure 1. Processes to Deploy a Performance Measurement System

After several months and more research on the different systems out there, we began implementing the pieces of the performance measurement system. This section discusses the performance measurement system for the Customer Service Team (CST).

The first step taken was to summarize the information of user interviews. After this summarization, a team began looking into the different types of scheduling software to automate this system. We also began looking at an improved system to calculate scheduling adherence. Other systems that we developed for this team were the monitoring system and the attendance system.

Once all these preliminaries were in place we sat down with the Call Center administrators reviewing the goals of the Call Center and of the CST. Now we have a starting point after the consensus on the goals has reached. From here we determine that the various information used to measure performance will be collected (DiLauro, 1998).

The performance measurement system for CST is decomposed into four categories. These categories include attendance, performance data, monitoring, and personal development. Each category would be worth 25% of the employee's compensation. All reviews are held every six months.

The Scheduling Coordinator maintains attendance portion. This attendance portion is further divided into two 12.5% sections. The first compliance is that the CSR can not miss more than 4 unexcused absences. The second compliance is that the CSR can not be tardy more than 8 times in the period. A tardy is determined by 5 minutes past the hour.

The observation section is broken into twelve observations over a six-month period. Of the twelve, ten will count toward the employee's compensation. So each monitoring session is worth 2.5%. This system is to be maintained by the Performance Measurement Analyst and will be administrated by several trained persons in the Call Center.

Finally the performance data collected consists of scheduling adherence, which is worth 9% of the total compensation; log-in performance for inbound and outbound which will be worth 8%; and Productivity which will be worth 8%. These standards will also vary from level to level. In other words, the newer CSRs will have lower standards than much trained CSRs.

Conclusion

Setting up a performance measurement system for any Call Center is a detailed and laborious task. The information contained in this paper is a brief overview of the right path to take but even with this guideline, it takes a lot of time and energy to implement such a system. These performance measurement systems are complex and intricate. But once they are in place, the amount of data collected and quality of service provided are valuable. Many of the calls handled at the center are routines. When the entire PMS is completed, it would have intelligent voice recognition to divert calls that could be automated from the call center and let callers perform their own transactions. This would reduce the number of calls sent to call center associates. Hence, it would eliminate long hold times and endless loop of bouncing callers among many call handlers. Such system will drive customer satisfaction and ultimately boost profit. It will also take some of the pressure off call center employees.

The role of the call center has changed from supportive to strategic. It plays as an integral tool in managing customer relationships. Thus, we recommend surveying customers to determine how well the call center is performing. Customer satisfaction techniques such as survey callbacks and mailings are effective ways to revitalize the company.

As a final note, with the advances of technology, all centers must anticipate the various ways in which customers and potential customers might wish to communicate with them. Media such as Internet phone, e-mail, and fax are on the rise. Call centers should equip staff with high tech abilities to become capable of handling multimedia tasks in order to meet customer needs and keep clients satisfied.

References

References available upon request from author.