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The US Contact Center Decision-Makers' Guide 2021

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"The 2021 US Contact Center Decision-Makers' Guide (13th edition)"

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INTRODUCTION AND METHODOLOGY

The "US Contact Center Decision-Makers' Guide (2021 - 13th edition)" is the major annual report studying the performance, operations, technology and HR aspects of US contact center operations.

Taking a random sample of the industry, a detailed structured questionnaire was answered by 214 contact center managers and directors between September and November 2020. Analysis of the results was carried out in December 2020. The result is the 13th edition of the largest and most comprehensive study of all aspects of the US contact center industry.

ContactBabel is grateful for the support received from the sponsors of the report. However, complete editorial independence has been maintained at all stages, and readers can be confident about the objectivity of the report's findings. Where a sponsor's opinion is given, this is clearly marked as such.

HOW TO USE THE REPORT

"The US Contact Center Decision-Makers' Guide" identifies seven of the major pain points and issues that affect the contact center industry:

- Improving Quality and Performance
- Maximizing Efficiency and Agent Optimization
- Digital, Cloud and the Customer of the Future
- Outbound and Proactivity
- The Customer Experience
- HR Management
- Strategic Directions.

Within each section, specific solutions are identified that can be used to solve these issues, along with the analysis of the primary research data that are relevant to this area, including a comprehensive statistical analysis in graphical and tabular form.

Third-party White Papers, case studies and thought leadership pieces may also be used to assist readers who may wish to look more in-depth at specific areas or gain another viewpoint.

SEGMENTATIONS

Looking at industry averages for contact center statistics is only so useful. Only with a clear understanding of how and why metrics differ between operations can readers see where they stand compared to their competitors. As such, key statistics have been segmented in many different ways where relevant and possible:

- by vertical market (industry sector)
- by contact center size (agent positions)
- by contact center type (e.g. inbound/outbound).

We may also segment data along other lines (e.g. sales / service) where possible and relevant.

VERTICAL MARKETS

Where possible, we have segmented and analyzed data along vertical market (business sector) lines, to highlight the specific issues and environments particular to that vertical industry. Below are the nine vertical markets studied within this report which had sufficient respondents to justify inclusion.

Figure 1: Vertical market definitions

Vertical market	Sub-sector examples
Finance	Banks, credit cards, loans, debt collection, credit checking, corporate
Insurance	Insurance for medical, life, motor, house, corporate, reinsurance, etc.
Manufacturing	Mainly B2B sales and support, along with customer helplines
Medical	Hospitals, pharmaceuticals, medical supplies
Outsourcing	Large full-service outsourcers/BPOs and telemarketing firms
Public Sector	Government (federal, state and city) agencies, 911 / 311
Retail & Distribution	Retailers, home shopping, mail order, parcel carriers, logistics
Services	Non-physical service offerings to public and business
Technology, Media and Telecoms (TMT)	Technology sales and service; Cell and fixed line telco, TV, satellite and cable providers; Broadband/ISP; triple/quad play
Transport & Travel	Transport information, booking, travel agents, airlines, hotels

SIZE BAND

Almost every survey question is considered from the size aspect, as differences in resources, management techniques and technology vary greatly between size bands.

Contact centers surveyed fit into one of three categories:

- Small - 10 to 50 agent positions
- Medium - 51 to 200 agent positions
- Large - over 200 agent positions.

CONTACT CENTER TYPE

Whether a contact center is predominantly inbound or outbound can fundamentally determine how the contact center is run. Therefore, we sometimes analyze data by contact center type:

- Inbound: at least 75% of activity is inbound
- Outbound: at least 75% of activity is outbound
- Mixed: less than 75% of activity is either inbound or outbound.

THE STRUCTURE OF THE DATASETS

The data provided by the 214 contact centers interviewed in this study were broken down into discrete segments:

Vertical markets

- Finance – 29
- Insurance – 15
- Manufacturing – 12
- Medical – 28
- Outsourcing – 28
- Public Sector – 19
- Retail & Distribution – 20
- Services – 26
- Technology, Media and Telecoms (TMT) – 24
- Transport & Travel – 11
- None provided / other (not included in vertical market analysis) – 2.

Size bands

- Small (10 to 50 agent positions) – 93
- Medium (51 to 200 agent positions) – 62
- Large (200+ agent positions) – 57
- No size band provided – 2.

Inbound / outbound

- Mostly inbound (75%+ inbound) – 147
- Mixed (between 26% and 74% inbound and outbound) – 40
- Mostly outbound (75%+ outbound) – 24
- No inbound / outbound activity provided – 3.

Sales / service

- Mostly service (75%+ service) – 151
- Mixed (between 26% and 74% service and sales) – 40
- Mostly sales (75%+ sales) – 20
- No sales / service activity provided – 3.

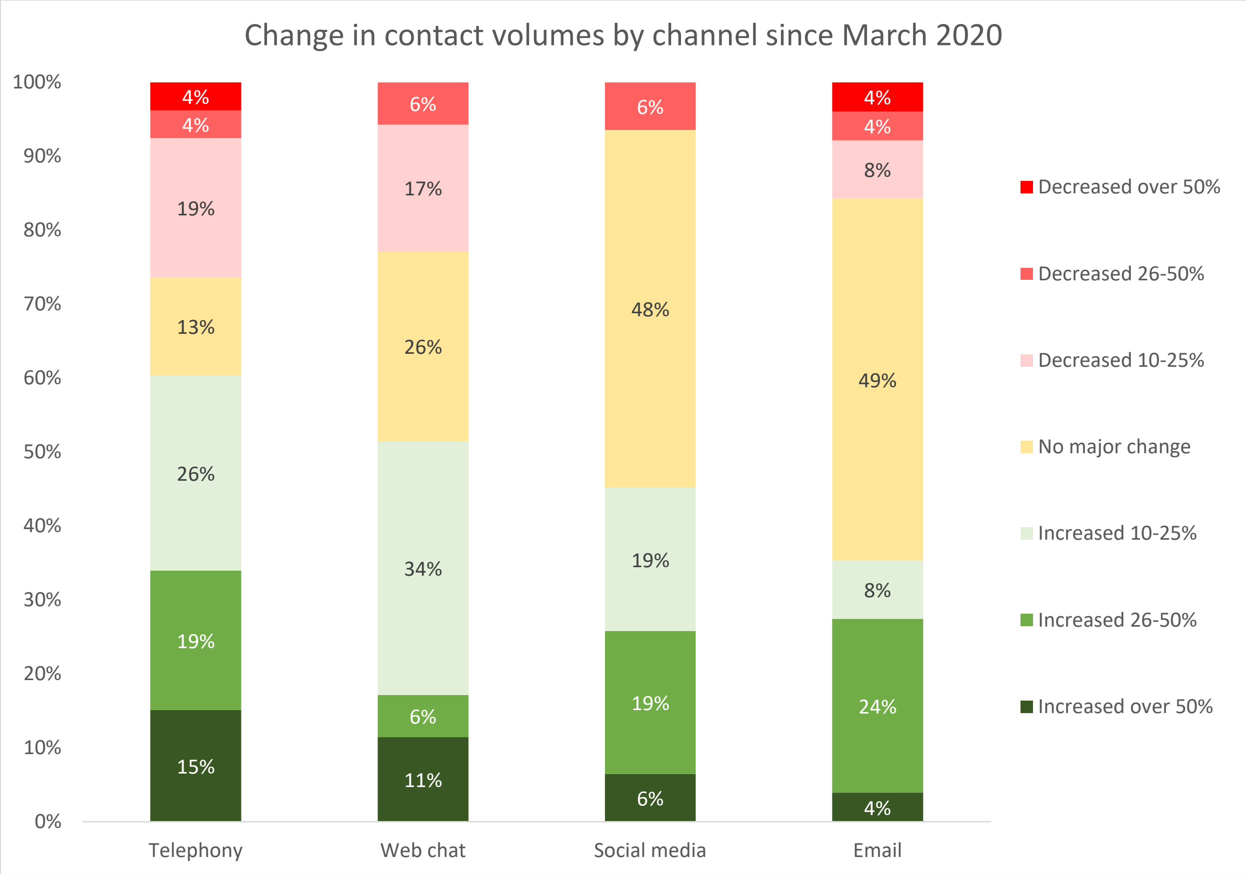
PANDEMIC-RELATED ISSUES

Along with the rest of the economy and population, the US contact center industry has seen an enormous upheaval in 2020 as a result of the pandemic, with the vast majority of organizations having to find a way to keep customer communication going despite huge changes to working practices. In the main, the industry did remarkably well to maintain and then improve service provision, in exceptionally challenging circumstances and with some sectors experiencing vast increases in customer demand for their services and attention.

The following chart shows the changes in contact volumes experienced since March 2020 when the UK lockdown was implemented, until November 2020 when this report was written.

The three digital channels – email, web chat and social media – saw significant net increases in volumes, with over half of businesses reporting increases and only small proportions seeing a decrease. While around half of survey respondents also saw increases in telephony, one-quarter experienced a drop in phone volumes, which may have been caused by an inability to move effectively to a remote working environment, as well as excessive queue lengths and reduced working hours putting off many customers from calling.

Figure 2: Change in contact volumes by channel since March 2020



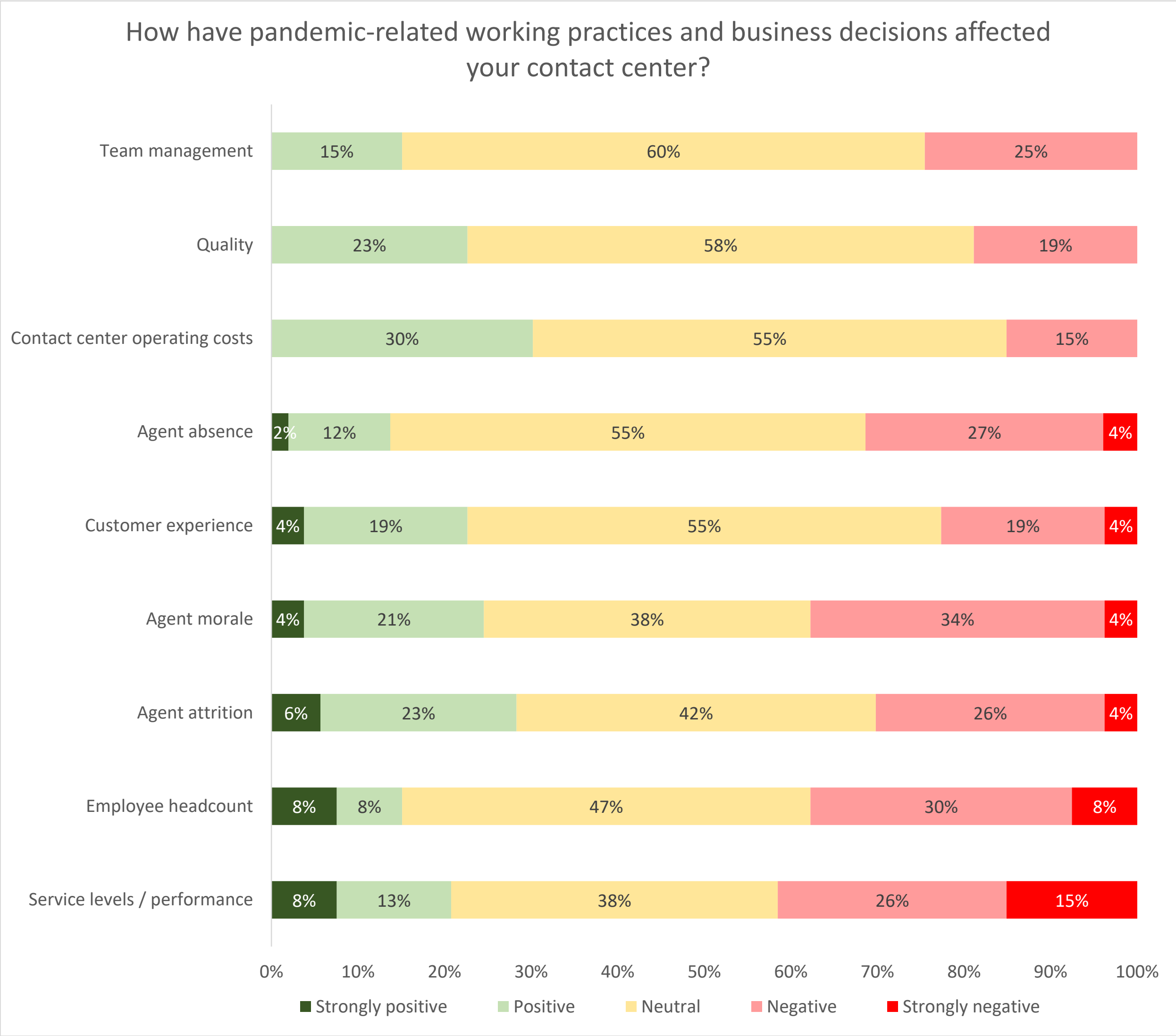
Survey respondents were asked how pandemic-related working practices and business decisions had affected their contact centers.

The general feeling was remarkably upbeat: the effect on agent absence and attrition was particularly positive.

The effect on customer experience was more mixed, with 37% claiming an improvement and 28% a decline – it would be interesting to see customers' opinions of this – and many of the other factors were also claimed to have seen an improvement, particularly agent morale, quality and headcount.

Operating costs and service levels / performance attracted the most negative comments, but even here there was a significant amount of positivity.

Figure 3: How have pandemic-related working practices and business decisions affected your contact center?



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The survey asked an open-ended question about how the pandemic had affected the contact center's performance, and here are some of the verbatim responses:

Remote working practices:

"March to May were really difficult. We had an almost 100% work-on-premise model for 3 sites that had to almost overnight be enabled to have people work from home. We had to procure equipment and change our systems to even enable work-from-home to be performed. We are still working out glitches with the telephony components to ensure a good caller experience."

"We lost almost 50% of our workforce and had to hire and train new people so attrition and quality suffered. The training team had to 100% revise training to enable virtual learning."

"We were planning to move the company this direction, but had to do it almost overnight to survive the pandemic impact."

"More strain has been placed on network resources, and there's been a need for beefed-up network firewalls and security. Also we've seen more foreign language callers. The biggest challenge is our inability to train in large groups, so we can only onboard 3 or 4 agents at a time!"

Performance:

"A mixed bag, based on role and experience level. Adherence has suffered overall and trended worse as time goes on."

"Handle times have increased by nearly 15% across the board, and have been stubborn to recover due largely to customer behavior (B2C callers linger on calls longer, B2B callers bring multiple issues on each call)."

Staff:

"Overall attrition is steady to modestly improved, with remote work providing opportunity for internal movement without regard to location."

"Agents prefer the full remote working model: attrition and absenteeism have plummeted since moving to remote working."

"The pandemic and working practices have created employee stress and anxiety, also exacerbated by the increase in anxiety on the part of callers as there are more people in trouble needing help."

"Performance and morale were relatively high prior to COVID and we've maintained this throughout the pandemic. The switch to 100% remote staff was relatively seamless, all things considered. Morale appears to be slightly up, mainly due to company maintaining 100% employment of all staff at 100% compensation, including incentives, bonuses, profit sharing, 401-K match, and other benefits."

Interaction volumes:

"Our inbound call volume has tripled, as most of our government agency clients are now working from home and unable to handle inbound calls."

"There has been too much volume for the resources, made worse by less robust technology and infrastructure than when working in a centralized site."

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IMPROVING QUALITY AND PERFORMANCE

Within this section, methods and solutions are discussed that support and improve the quality and performance of agents.

Many of the solutions operate as part of a broad set of workforce optimization technologies and practices which measure and encourage agents to align their behaviors and actions closely with the requirements of the business.

Topics include:

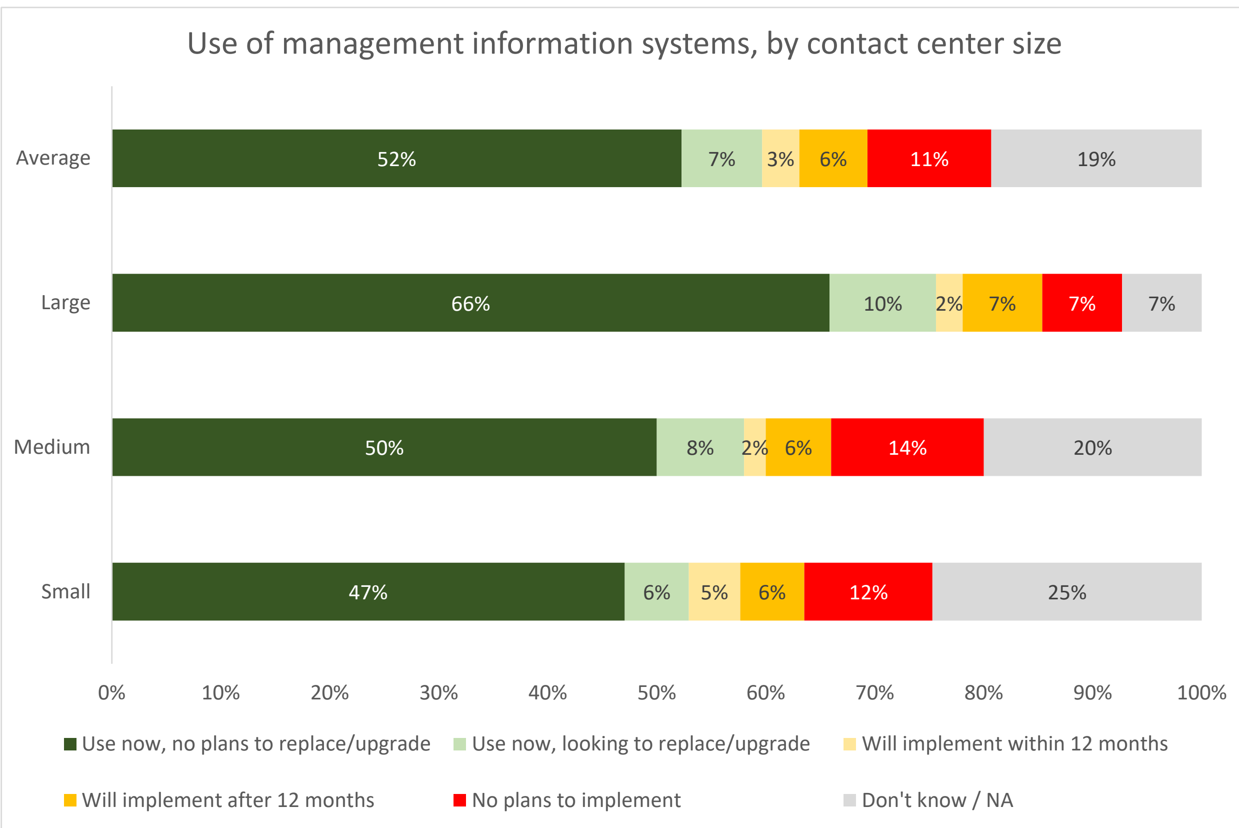
- Contact Center Performance Benchmarks
- Multichannel Workforce Management
- Headsets
- Quality Call Recording, Performance and QA
- Interaction Analytics.

MANAGEMENT INFORMATION

The success of contact centers has traditionally been measured by observation of key metrics, usually related to cost and efficiency: average call length, average speed to answer, % of calls answered within a certain time, etc. While these figures are still widely acknowledged and understood benchmarks, many contact centers now measure the effectiveness of their operation by tracking metrics such as first-time call resolution and customer satisfaction levels, although there are no standard measures or agreements on what constitutes a satisfied customer or fully-resolved call. Our previous research shows that agents are far more likely to be rewarded for meeting required operational metrics rather than customer-focused service metrics, usually because this is what's easier to measure.

Management information systems are the contact center management's eyes and ears, providing the tools and information to judge the effectiveness and efficiency of the operation. The results of may be output to wallboards, desktop displays (at management, supervisor and agent levels as appropriate), batch reporting and fed into real-time scheduling and forecasting functionality. Many larger contact centers are actively looking to upgrade or replace their current MIS, suggesting that it is not always giving management what they need in terms of actionable information.

Figure 4: Use of management information systems, by contact center size



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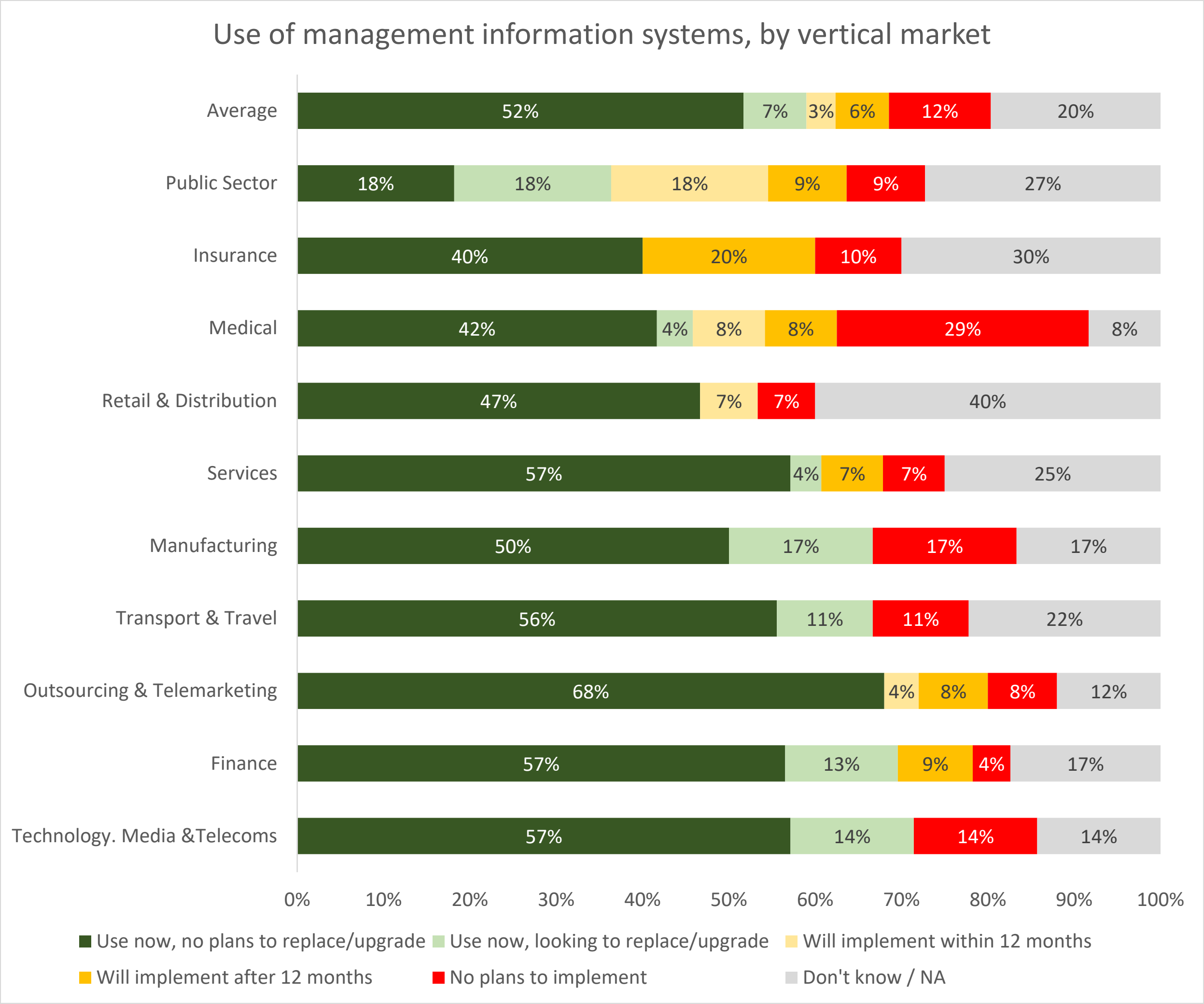
Management information systems are present in the majority of most sectors, with TMT and finance respondents reporting the greatest usage.

Those in the public sector and medical sectors – often amongst the smallest contact centers – report the lowest use of MIS.

There is very significant interest in replacing or upgrading MIS being shown by several vertical markets, including TMT, public sector and manufacturing.

While the majority of contact centers in most vertical markets have already implemented MIS, there is interest by public sector respondents for a first implementation within 12 months.

Figure 5: Use of management information systems, by vertical market



PERFORMANCE METRICS

Depending on the type of work that they do, contact centers may consider focusing upon various measurements:

Internal metrics

Call duration / Average Handle Time: A typical 'old-fashioned' metric, which is generally going out of favor due to the acceptance that each call is different and should take as long as is needed. However, it is one of the easiest statistics to measure, and work out cost against.

Agent occupancy rate: The agent occupancy rate is calculated as the proportion of time in a given period that is call-time plus wrap-up, (that is, the proportion of time that each agent spends on dealing with the call itself and the actions deriving from it. A laborious wrap-up time caused by slow back-office systems or lack of familiarity from the agent's perspective can go some way to producing high occupancy rates, which looks as though the agent is constantly active, but which is actually negative for both business and customer.

Call throughput and abandonment rates: Understanding the types of call being received as well as tracking the number that are dropped can be translated into lost revenue within a sales environment, making a pitch for greater investment easier. With the use of callback, calls that would otherwise be abandoned can be kept alive, although at the cost of an additional outbound call.

Revenue per call / promise to pay: As many contact centers are now profit centers, understanding the effectiveness of the sales or debt collection efforts is vital to judging the success of the contact center itself.

Call transfer rate: This metric can indicate training needs at the individual agent level, a failure in the initial IVR routing or a need to update FAQs or other information on a website (for example, a spike in this metric might be driven by a recent marketing campaign which has confused some customers, creating a high level of calls about the same issue). Tracking and analysis of call recordings in cases of high transfers should identify the issue.

Schedule adherence: Schedule adherence is a metric that looks to help with the fine-tuning of a contact center's labor force, so that calls are answered swiftly, but that agents are not sitting idly waiting for calls. It is a metric that is of more importance to schedulers than to customers, although the impact of getting schedules wrong can be catastrophic for efficiency, cost and performance.

Staff attrition rates: A well-publicized cost that senior management are very aware of, high levels of staff attrition are poisonous to the effective running of the majority of contact centers, causing excessive recruitment and training costs, lower average call handling quality and longer queue times due to inexperienced staff, as well as the vicious circle of lower staff morale.

Average speed to answer / longest call waiting etc.: This metric has a strong and demonstrable effect on customer satisfaction or frustration, as well as impacting on call abandonment, lost revenues and high staff attrition rates caused by excessive pressure. Average speed to answer is a metric which is easily measured, and forms a vital view of the contact center's staffing levels as well as impacting directly upon the customer experience. As such, it is similar in nature to the call abandonment rate. Contact centers should of course consider the amount of time that a customer spends in the IVR segment of the call when considering the 'speed to answer' metric: as the customers themselves surely do so.

Cost per call: Although this is an attractive and easily understood metric for senior management to view, there is a real danger that calls are closed too quickly and revenue and loyalty-building opportunities are lost. If a contact center has many short calls (which may be better off being dealt with by self-service), this will produce a lower cost-per-call figure, which makes it look as though the contact center is doing well, when the opposite may be the case. The same logic applies to first-call resolution rates.

Cost per call is a very complicated metric that is difficult to get correct. However, senior non-contact center management understand how cost figures impact the business more than occupancy or call abandonment rates, although these have an impact on all parts of the business. At the most basic level, cost per call can be calculated by dividing the overall spent budget of the contact center by the number of calls, although this does not take into account abandoned calls or situations where the customer has had to call multiple times to get a resolution (a situation which in fact brings cost per call down, although being negative to both business and customer). Neither does it take into account the effect of failure demand: where the contact center cleans up after processes elsewhere in the business go wrong, leaving the contact center to sort them out. As such, it should be viewed with caution.

<u>Customer metrics</u>

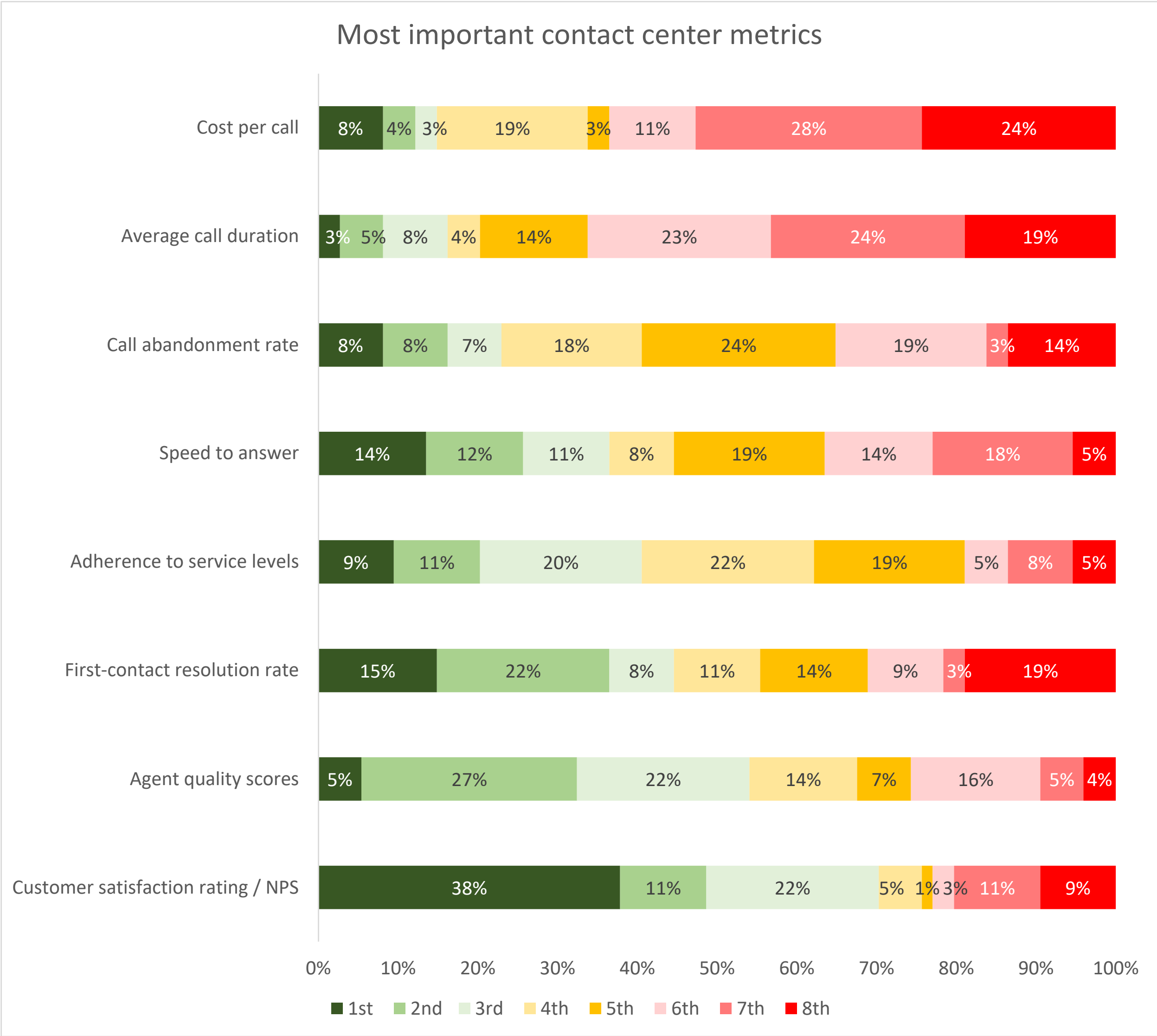
Customer satisfaction ratings: Customer satisfaction is seen to be directly linked to profitability through increased loyalty, share of wallet and customer advocacy. There is considerable debate about how satisfied (or delighted) customers have to be before it starts making a noticeable difference to the bottom-line (i.e. how happy does a customer have to be before they accept premium pricing strategies, and how unhappy do they have to be before they go elsewhere?). There's no easy answer, but high customer satisfaction ratings – at a reasonable cost for the business – are surely good for everyone. The Customer Satisfaction Measurement and Improvement chapter earlier in this report should be read into order to understand the various methods of measuring customer satisfaction scores.

Customer loyalty / lifetime value / churn rates: A central thought of CRM is that a business should focus upon keeping profitable customers, and growing unprofitable ones. A single figure for customer retention is not effective, as it does not include the types of customer churn, or the undesirability (or otherwise of losing such customers).

First-contact resolution: Improving first-call/contact resolution (FCR) benefits customers (who are more happy / loyal / profitable / etc.); agents (higher morale; fewer frustrating calls); and business (lower cost of repeated calls; higher profitability): everyone wins. This can be hard to measure, as it is the customer, and not the contact center that should be stating whether the issue has been resolved successfully. More information on this can be found in the "Customer Effort, Engagement & First-Contact Resolution" chapter later in this report, and in the dedicated "Inner Circle Guide to First-Contact Resolution", available from www.contactbabel.com.

Over the years, the importance of contact center metrics has changed considerably. 10 years ago, average call duration and cost per call were considered to be key, but respondents to recent reports consider them of lesser importance than more customer-focused measurements.

Figure 6: Most important contact center metrics



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38% of respondents chose customer satisfaction rating as being the most important measurement that a contact center tracks. Customer satisfaction is in large part driven by the other metrics shown here, and can be seen as a consequence of how these other elements perform.

In past surveys, first-contact resolution has been extremely important, with speed to answer often also chosen as a top 3 metric by more than half of respondents: both of these metrics are of huge importance to customer satisfaction (or the lack of it), and handling more calls effectively first-time is key to improving customer satisfaction and reducing repeat calls, which will impact positively upon queue lengths.

However, in recent surveys, the addition of two new internally focused metrics – adherence to service levels and agent quality scores – has resulted in first-contact resolution dropping from 2nd place, with both of the newly introduced metrics competing with this key customer-focused measurement.

Agent quality scores are of course important to the customer, as the quality of interaction is a vital part of customer satisfaction. However, most agent quality scores are marked against scorecards that are created inside the organization, which are not always closely aligned with what the customer wants from an interaction.

Similarly, adherence to service levels and schedule is important to the smooth running of the contact center, without which high-quality customer experience cannot exist, yet from the customer's perspective, the effectiveness of the interaction is driven by its result, rather than on whether the agent is meeting internally set metrics.

The next chart shows the importance of contact center metrics depending on contact center size, by looking which metrics are rated in the top 3 in each size band.

Customer satisfaction levels are very important to all three of the contact center size bands surveyed, particularly small and large operations. Agent quality scores and speed to answer are considered very important by mid-sized operations.

Surprisingly, first-contact resolution rate is placed as a top 3 metric by only 20% of mid-sized respondents: it is one of the keys to customer experience and satisfaction, and should certainly be given more attention than this.

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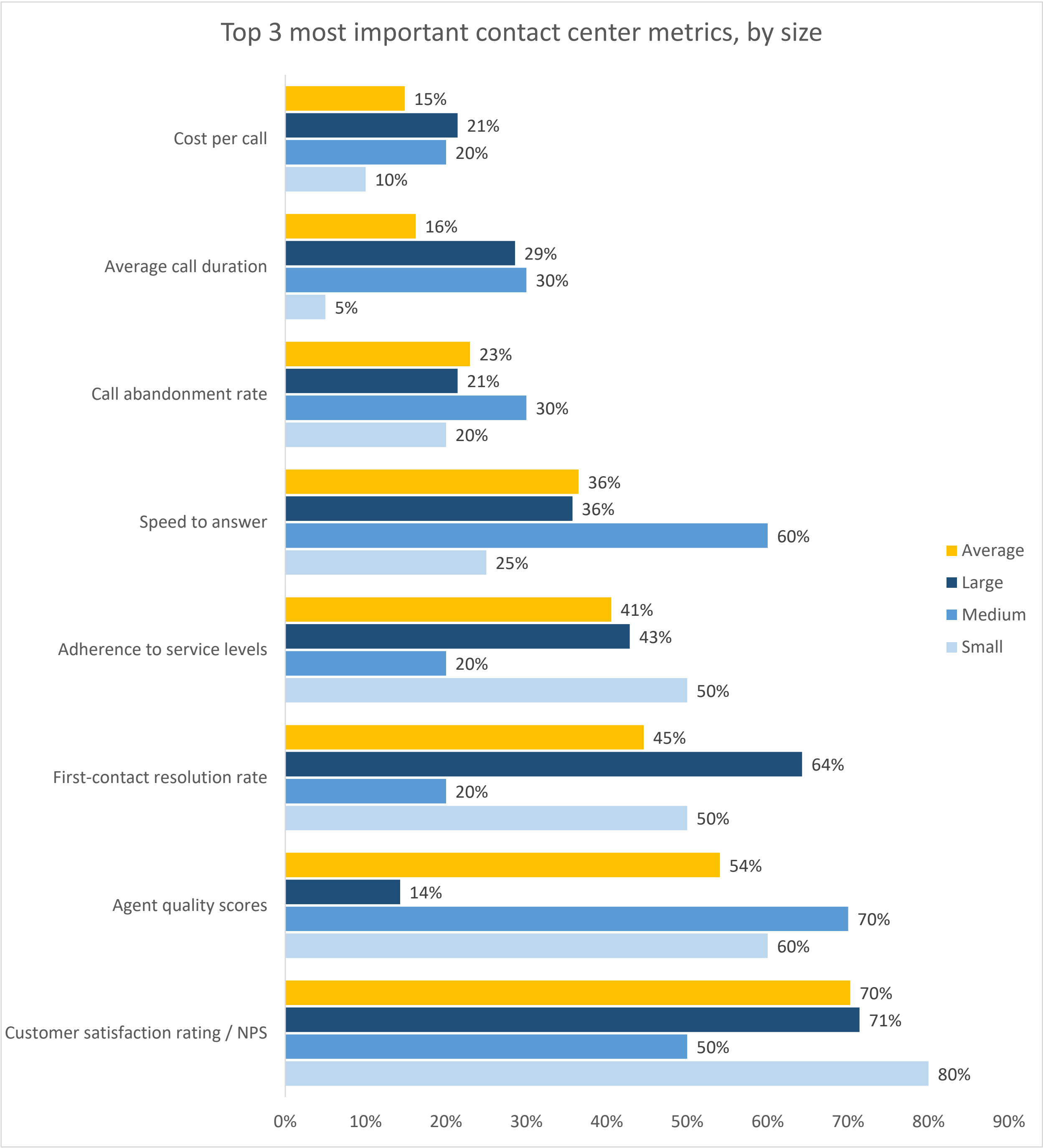
Figure 7: Top 3 most important contact center metrics, by size



Past survey results can be analyzed to identify some of the structural changes to the industry, which may otherwise pass under the radar.

Taking the past nine annual surveys, a very clear picture emerges of increasing average speed to answer, despite its continued importance to the overall customer experience. This can be explained to some extent by the gradual rise in call duration – both for sales and service – over the same timescale, which is driven in large part by a rise in self-service taking away the easier and shorter calls. At its most basic level, calls take longer to be answered because agents are spending longer on the phone. This has been further exacerbated by the effects of the pandemic on most contact center operations.

However, this has not had a noticeable effect on call abandonment rate, which continues to move between a range of 5-7%. First-contact resolution rates remain around the same low-to-mid 70% range, with only one outlier in 2015.

Considering the steady rise in call duration, it would seem logical to expect cost per inbound call to rise alongside it. However, until recent years, this had not been the case. As there has been a steady rise in contact center salaries, variable call costs could partially be viewed as a result of how cost per call is measured:

- While almost every survey respondent answers questions around speed to answer and duration, only a minority give answers to cost per call, suggesting that many do not measure this, or offer only an approximation
- The rise in self-service calls means that these interactions (which have a negligible variable cost) are included in the total call volumes, and lower the average cost per call considerably
- Telephony costs have dropped very significantly, with the increasing use of IP telephony lowering the cost per minute and any associated hardware costs.

Figure 8: Selected contact center performance metrics (2012-2020)

Metric	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mean average speed to answer (seconds)	31	34	43	46	53	50	60	56	75
Call abandonment rate	5.4%	6.3%	5.3%	7.3%	6.0%	5.9%	5.4%	5.7%	6.1%
First-call resolution rate	73%	71%	74%	64%	72%	74%	75%	75%	74%
Call duration (service) - seconds	306	347	381	367	360	384	370	372	410
Call duration (sales) – seconds	346	456	408	467	507	576	520	514	463
Call transfer rate (excl. receptionists)	8.2%	8.0%	8.5%	8.7%	9.2%	10.4%	10.3%	9.8%	9.0%
Cost of inbound call	$7.50	$7.76	$5.84	$6.69	$5.52	$5.25	$7.18	$7.06	$7.46
Cost of outbound call	$7.96	$6.20	$6.34	$4.37	$6.47	$5.92	$7.68	$9.23	$8.41

MULTICHANNEL WORKFORCE MANAGEMENT

Workforce management (WFM) is core to any workforce optimization suite. The technology has evolved into a sophisticated tool for forecasting interactions across multiple channels and for scheduling, based on agent skill-sets and location. Superior WFMs tool react automatically, in near-real-time, to allocate resources where they are needed most.

Recent years have seen a resurgence in investment in workforce management solutions, often driven by the need to handle ever-growing volumes of digital interactions, as well as a rise in remote work and employees' expectations for more flexible working patterns.

Acknowledging that the customer journey is not restricted to contact centers. Vendors and organizations are extending WFM capabilities to the back office, branches and the mobile workforce.

Workforce management solutions have to deal with much more complex environments in order to cope with the nature of the work being presented to agents. All agents require good listening abilities, keyboard and IT skills and a knowledge of the business they are working in. However, more now need additional in-depth and specific skills in order to satisfy customers, including:

- Familiarity with either specific customers (e.g. account management) or customer sub-sets (e.g. commercial vs. domestic products)
- Specific product or technical knowledge
- An appropriate level of experience and empowerment for the customer (e.g. "gold-card" customers may demand single-call resolution, meaning senior agents should be available to take the call)
- Language skills (both in domestic and international markets)
- Ability to deal with multichannel interactions (either in real-time – such as web chats – or offline, such as emails).

Fulfilling service levels while managing costs is an iterative cycle, requiring several key processes to be completed. Feedback from each stage allows the enterprise to continually improve its efficiency and become more confident in future predictions.

The modern contact center not only requires the basics (having enough people to answer interactions in a reasonable amount of time), but also more sophisticated functionality such as the ability to forecast and schedule agents in near-real time and handle virtual contact centers, mobile resources and home-working resources.

Additionally, contact center managers need to allocate staff resources accurately across both digital and voice interactions and understand how voicebots and chatbots impact live agent interactions, including back office and other relevant scheduling activities.

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FORECASTING

Before any staff planning can be done, an enterprise first needs to understand what has happened in the past. A solution which provides historical data from entire customer contacts including those across multiple channels means that scheduling can take place in a more realistic way. Enterprises should also be able to factor in exceptions such as advertising campaigns, training and public holidays, view when the best time for a meeting or training session will be, and measure the impact on the rest of the contact center. Running regular hypothetical 'what-if' scenarios can show a scheduler how alterations to shift-patterns would impact performance.

A great deal of unnecessary agent work can be removed by identifying the types of calls that are being received, and determining whether these could be reduced further up the line, in the departments whose work actively affects the volume and type of calls received, e.g. marketing or IT (for the website), or through the use of bots to handle relatively simple enquiries. As such, workforce management is often used as part of an overall workforce optimization suite, which can include quality monitoring, interaction analytics, HR management and training as well as the traditional workforce management roles of forecasting and scheduling, as all of these factors affect each other.

For example, understanding when and how other departments will be operating means that workforce management tools can be used to forecast and schedule accordingly (e.g. a new TV advert may trigger a wave of specific calls). Additionally, contact center management is able to brief agents – via a desktop broadcast or smartphone alert at short notice – about the correct responses and issues, as well as changing IVR prompts and messages to provide answers to the simpler questions and managing agent skill-sets for relevant call groups.

Businesses should look for flexibility in forecasting functionality: situations can develop very quickly which mean that forecasts can become useless without the ability to alter schedules dynamically at an intraday level to reflect reality. (Intraday is considered in more depth later in this report). As around 25% of a typical contact center's activity is now through digital channels, a demonstrable and sophisticated understanding of email, chat and social media volumes is critical in a solution.

Resource planning applications, which typically look at requirements over a longer term than the typical WFM solution, should also be considered within the forecasting functionality. Understanding how the business will change some months in advance – perhaps for seasonal reasons, or with the launch of a new product – will certainly impact on resourcing, and close communication and integration between resource planning and day-to-day WFM is desirable.

SCHEDULING

Scheduling has moved far away from the traditional approach of simply making sure that approximately the right number of agents are available based on forecasts.

While the correct resource allocation is obviously still key to successful scheduling, the enlightened enterprise takes agent preferences and skill-sets into account. The "standard agent" approach to solving resource issues (i.e. treating one agent the same as any other) will cause problems with both agent satisfaction and customer service levels. Most companies using advanced workforce management software will have between six and nine skill-sets to work with, although a few contact centers use as many as 50.

A scheduler will have to find the best way to match the company's requirements with those of its employees, and agent self-scheduling functionality – which allows an agent to bid for and choose specific shifts and vacations – is not only helpful in terms of forecasting but has a demonstratively positive effect on agent morale and attrition rates as well.

Scheduling can get particularly complicated in an omnichannel environment which usually has agents with multiple media-handling skills (e.g. voice, email, web chat etc.) and multiple business abilities (e.g. sales, service, product knowledge, languages etc.), and which may well be operating within a blended inbound/outbound environment, possibly spread across various locations.

An increasing number of contact center operations no longer work on strict shift patterns of a fixed length, as flexibility can be of benefit both to the organization and the agent: the organization can resource peak hours without risking high levels of idle time outside of this, and shorter shifts may fit in better with the work-life balance of the agent. The recent enforced rise of remote working gives an opportunity for agents to work more of the hours that suit them (for example, in the evenings, or split-shifts around childcare), flexibility which contact centers can then use to extend their opening hours without paying excessively for anti-social hours or full shifts in times of lower volumes.

Many WFM solutions now offer a self-service function to allow agents to state their preferred shift patterns, request time off, swap shifts and request overtime, leading to more engaged and empowered agents and much less manual work for the scheduler. The advent of cloud-based solutions and mobile smartphone apps means that agents can make requests wherever they are, improving employee satisfaction and keeping the WFM system more up-to-date than if they were restricted to doing this within the physical contact center within their own working hours.

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ADHERENCE AND REPORTING

Adherence is the ability to compare forecasts with reality, and learn from mistakes. Sophisticated scheduling and forecasting is useless without the opportunity for improvement brought about by adherence monitoring. Real-time adherence allows managers to see exactly what is happening, and can alert them to deviations from the expected activity, allowing them to make changes before problems occur. Adherence allows a business to fine-tune its contact center activity, and the more it is used, the more accurate forecasts and schedules become.

This is another area where the cerebral activity of traditional workforce management has become more dynamic. Real-time reporting on schedule adherence, and the ability to access this information through a web browser or smartphone app means that dynamic changes can be made to the system, with automated intraday changes being used increasingly, taking away the need for human intervention.

WFM solutions enable contact center managers to monitor and manage agent performance in real time by monitoring the status of an agent's activity (for example, time spent logged on, against planned work schedules), even if the agent is working remotely. Agent adherence and non-adherence can then be acted upon quickly, and used to support performance appraisals.

INTRADAY

In older versions of WFM, once the forecasts and schedules were set based on historical data and expectation, the opportunity for change was extremely limited and restricted to moving agents between queues and tasks manually: more of an art than a science. Today, many WFM solutions support rapid changes driven by actual interaction volumes. This is often known as 'intraday', a near-real time scheduling system based on actual demand for service and supply of agent availability, and relies upon flexibility from the agent and the enterprise, working together for the benefit of all .

For example:

- the WFM system forecasts the likely volume of interactions through each channel
- resource requirements are forecasted, based on the agent skills required
- agents submit their preferences for working hours (they have contracted to work a certain number of hours each month)
- shift patterns are scheduled and communicated to agents, who have the opportunity to arrange shift swaps with other agents. Businesses may wish agents to be contactable outside of their shift, possibly through SMS or an app, so that any requested schedule alterations or short-notice requests to login can be implemented in a timely fashion
- the WFM system alters schedules accordingly throughout the day, based on real volumes and service levels.

Intraday goes some way to resolving the underlying tension between employee and organization concerning workforce scheduling, and as such can be seen as part of the broader move towards agent-centric WEM. It is in the enterprise's interest to have strictly calculated forecasts and exact allocation of resource, regardless of how this impacts upon the employee. Unsurprisingly, this leads to resentment amongst the workforce, increasing attrition and absence rates. Intraday goes some way to empowering the employee, without putting the enterprise at a disadvantage. WFM solutions that are built with a flexible architecture capable of scheduling in small time-increments (e.g. minutes rather than hours) will support employees' needs without damaging service levels.

It is important to understand that greater empowerment of agents over their working patterns is greatly beneficial to morale: rather than have to ask a supervisor or manager, they are to a great extent choosing their own hours, with the resulting benefit that they have greater buy-in to the process and are less likely to be absent, as well as reducing the time spent by supervisors in changing schedules manually.

There are a number of workforce management solutions that use their forecasting and scheduling functionality to identify periods in the working day where agents are likely to be underutilized and experience high levels of idle time. The identification of idle time is one thing: being able to recover unproductive time in the agent's daily routine and use this otherwise-lost capacity is quite another. A workforce management solution that has intraday capabilities can recover these small pockets of fragmented agent idle time as the day goes on, aggregating this time into larger blocks that can be allocated to other productive activities such as training, coaching, back-office tasks, answering asynchronous communications such as email, or catching up on administration. This can go a long way towards using the agent time that businesses already pay for, but which could not previously be accessed.

Having a more flexible WFM system should also widen the available pool of labor: whereas in the past, the nature of scheduling meant that full-time employees were preferred, being able to schedule in shorter time periods in near-real-time supports part-time workers, homeworkers, employees based elsewhere in the enterprise and seasonal workers.

REMOTE WORKING

Homeworking provides companies with the opportunity to add greater flexibility into planning and scheduling, such as split-shifts (over the course of a day), 'micro-shifts' (where agents come online for an hour or less at peak times) and in the evening when children are in bed (potentially allowing longer opening hours for the contact center).

'What-if?' scenario planning can help contact centers model and predict scenarios where for example the absence rate quadruples, enabling the organization to see what would happen with service levels and scheduling, and potentially lining up business continuity solutions such as overflow to outsourcers. Workforce planners can also use this to model the likely effects of increased call lengths caused by queries that are outside the norm, a new agent's lack of familiarity with systems or other factors that may be being faced by contact centers being affected by the coronavirus crisis.

Some key WFM action points for remote workers and their managers:

- make sure that agents' contact information is up-to-date and available to management in both online and offline modes
- ensure agents understand how they clock on / clock off their shifts, as well as how management will supervise that they are doing so
- agents should check their schedule for the next day before they log off for the evening
- any WFM tools should be flexible enough to handle agent absences at very short notice without having to recreate the schedule manually.

Any workforce management system needs to be able to take full advantage of the flexibility of remote working agents, while providing the same level of real time management and support available to the centralized contact center model. Remote working necessarily encourages agents to develop independence and take control of their work, and businesses should consider implementing the tools to support this.

It can be beneficial for everyone to allow agents to change their breaks themselves, bid for shifts and choose their own vacation period through an app without having to run everything through the workforce planning team first. Of course, the service level must be protected and any changes only ratified if this is the case. Giving remote working agents access to these sorts of tool will promote trust and do away with any issues such as perceived favoritism, as well as protecting the performance of the contact center.

Contact center management is often concerned that visibility into what agents are actually doing will be decreased in remote working environment. This does not necessarily have to be the case: tools exist that can check adherence to schedule (including breaks) and which can nudge agents into adherence by giving them reminders that a break is almost ending or that they are a little late logging back on. Key to this is that any change impacting upon the performance of the contact center is immediately taken into account by the workforce management system which can then react accordingly, rather than there being delays of some hours before schedules can be changed.

The flexibility, agility and granularity of such automated tools can allow agents who work even a couple of minutes longer than their shift to group these minutes into a 'time bank' which can then be taken as flexitime: the opposite also exists for those agents who may be late logging onto their shift as they can work the time back later when it's needed by the business.

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CURRENT AND FUTURE USE OF WORKFORCE MANAGEMENT SYSTEMS

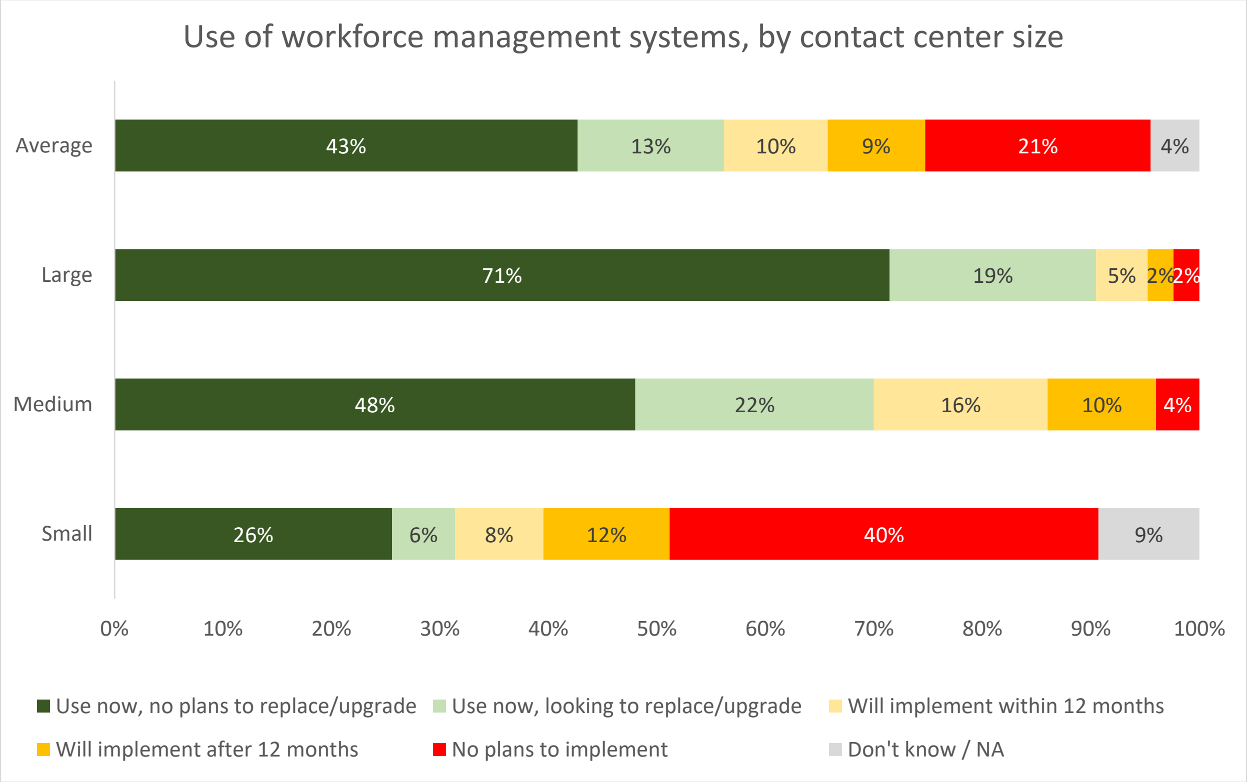
Until relatively recently, small contact centers were still very heavily involved in manual workforce management, which offers extremely limited opportunities for doing anything other than a static schedule that cannot easily be changed. In fact, forecasting and scheduling in this scenario is more of an art than a science. The low take-up of third-party workforce management tools was almost certainly down to cost, the fact that the time taken to create a manual schedule for 10 agents is far less than for 100 agents, and that the manager of a small contact center does not need the flexibility or capabilities that a large operation can benefit by, as their labor and skills pool is so much more shallow to begin with.

However, there has recently been a significant uplift in the use of workforce management solutions in small contact center sector, probably as a result of the increasing number of solutions – usually offered through a cloud-based deployment – aimed at the smaller end of the market by solution providers. These solutions offer relatively simple functionality, but will also have an easy-to-use interface for non-specialist users.

Workforce management systems are now common in contact centers, with a penetration rate of 56% amongst our survey respondents.

Of current WFM users, 23% are actively looking to replace their WFM solution. 10% of respondents indicate that they are likely to implement a system for the first time in the next 12 months.

Figure 9: Use of workforce management systems, by contact center size



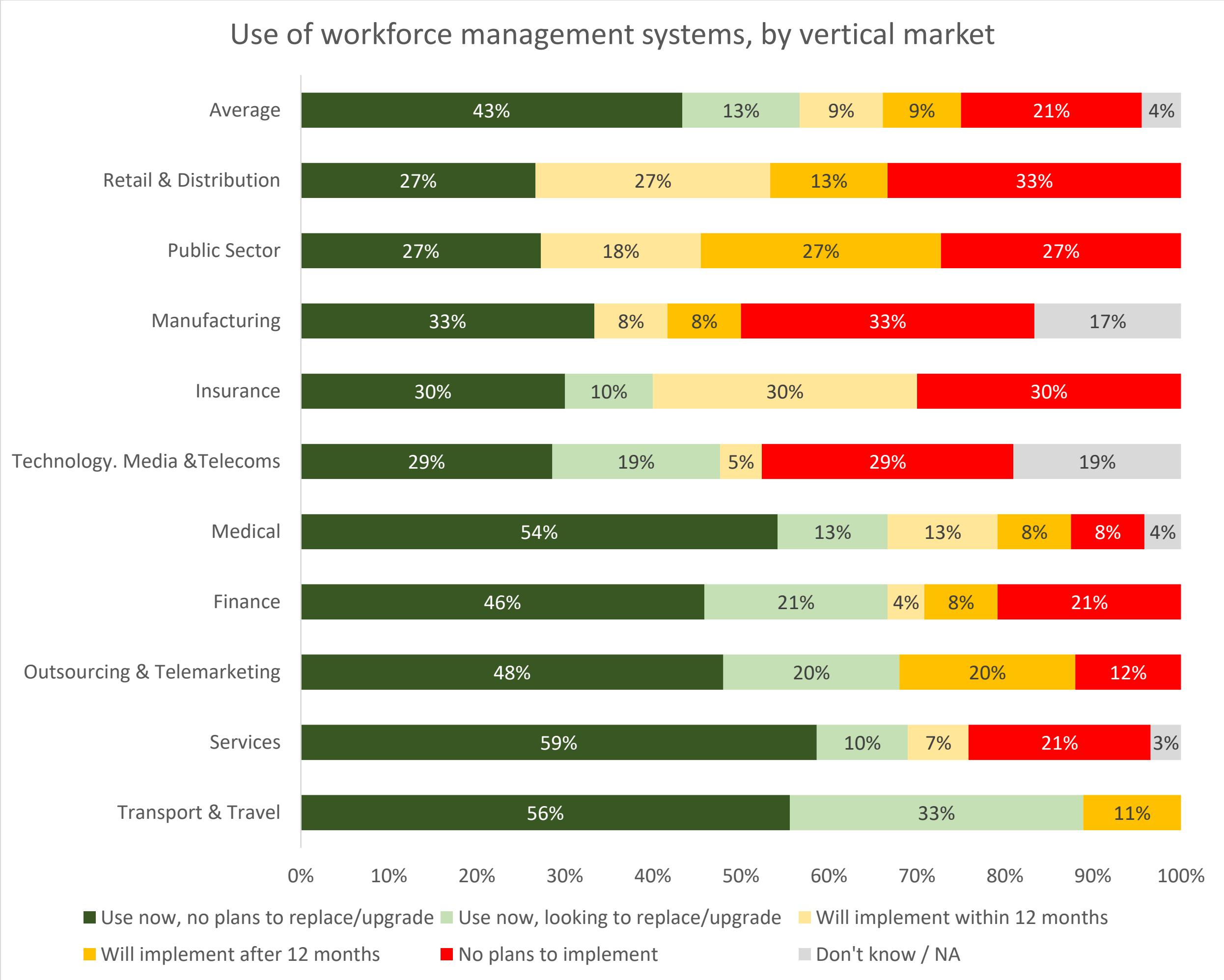
Medium and (especially) large operations are far more likely to use dedicated third-party workforce management applications into which historical data can be fed, providing a far more accurate schedule.

Small contact centers have traditionally been less likely to have implemented workforce management, due to issues over cost, complexity and whether it was even necessary in small operations. Recent years have seen opportunities via the cloud model, as well as subscription-based pricing alternatives, which enable accurate forecasting and scheduling options for smaller contact centers.

As the likelihood of workforce management system usage is far more of a factor of size and call volume, rather than the business type, care should be taken with the following chart which shows respondents' WFM penetration rates by vertical market.

Those respondents in the transport & travel, outsourcing and finance sectors seem most likely to be looking to upgrade their WFM systems, with those in the insurance and retail sectors most likely to be implementing the solution within the next 12 months.

Figure 10: Use of workforce management systems, by vertical market



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Resource P.O.S. Improves Coverage and Scheduling for Distributed Agent Teams with Elevēo

Company leverages Elevēo forecasting and scheduling tools to achieve SLAs and enhance brand reputation among internal and external customers.

From his office at the Resource P.O.S. headquarters in Chicago, Help Desk Director David Mayerchin manages help-desk agents in that city and Bosnia. ReSource P.O.S. delivers customizable, end-to-end P.O.S. and I.T. solutions. Its agents offer customers general assistance and provide troubleshooting services.

Though the industry may classify his 35-agent contact center as ‘small’, Mayerchin faces a forecasting and scheduling challenge common to virtually every contact center manager, regardless of staff size: Ensuring that the optimal number of agents, possessing the right combination of skills, are available for customer interaction at any given time.

Constrained by functional limitations of a cloud-based business analytics application he used for forecasting, Mayerchin was basing resource forecasts on rolling call volume averages and estimates of critical performance metrics, like AHT. “It required a lot of effort and wasn't agile enough to allow us to spot new trends quickly," he says. He points out that it often took two to three weeks to compile and analyze historical data and find the source of chronic issues, like excessive hold times.

"There were too many time gaps in our forecasts, and we were consistently over-scheduling or under-scheduling our help-desk agent resources,” he says. “We had enough agents, just not always enough at the right times.” This lack of simplified forecasting capabilities, combined with an Excel-based scheduling process for Bosnian agents and a 3rd party H.R. and Payroll software-based process for Chicago agents, hampered Resource P.O.S.'s ability to consistently meet a crucial SLA - a live answer in under 90 seconds. “This impacted our brand reputation with internal and external customers.”

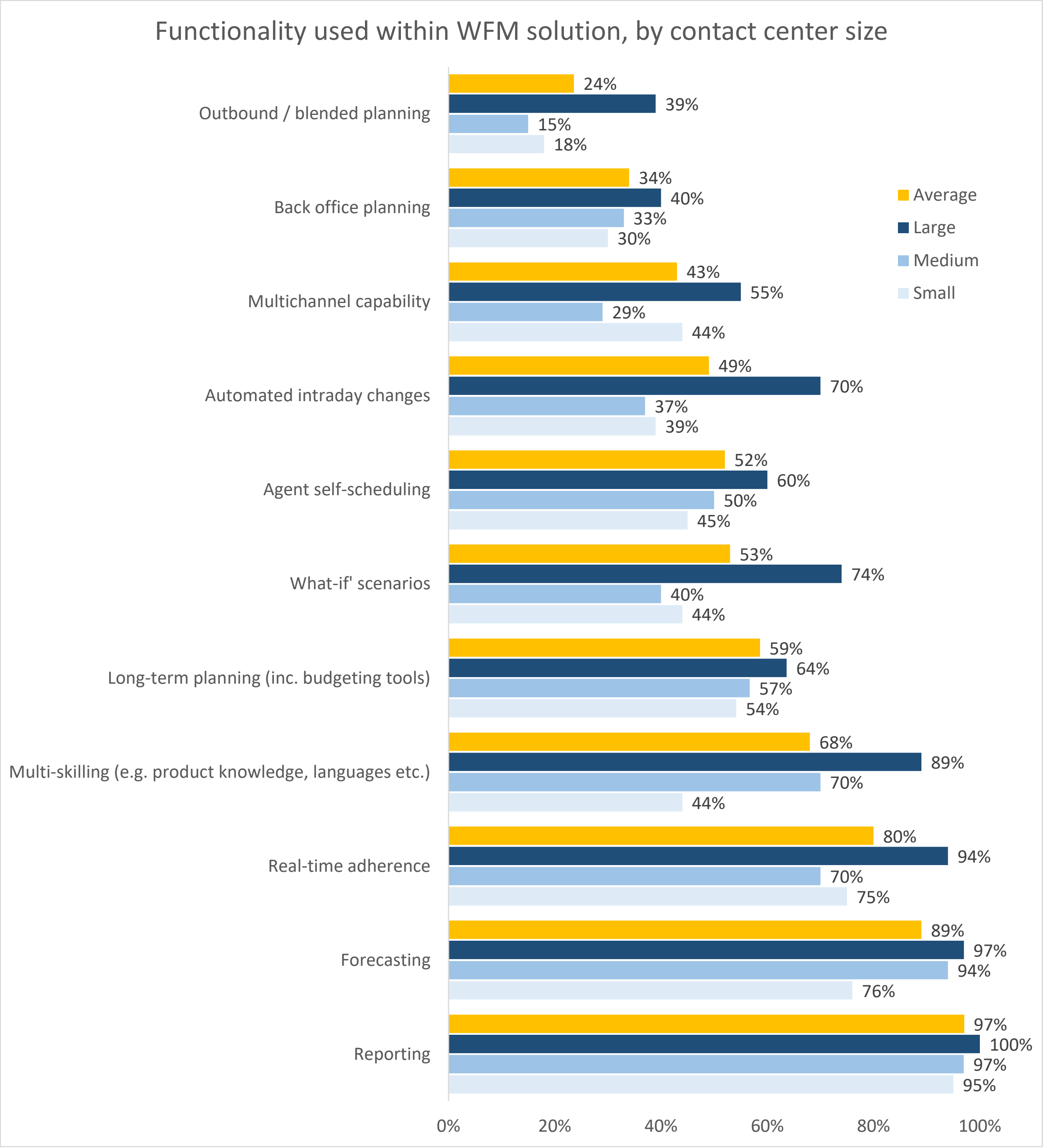
Improving forecast accuracy and scheduling agility

Resource P.O.S. deployed Elevēo WFM for forecasting call volumes and scheduling help desk agents. “As soon as we started using Elevēo WFM, we were able to identify the root causes of our shift coverage problems,” Mayerchin recalls. “We fixed those periods by adjusting shifts on our new single schedule for both teams using the historical data Elevēo captures from our UCM platform.”

According to Mayerchin, COVID-19 put Elevēo’s integrated forecasting functionality and intuitive drag-and-drop scheduling tool to the test. “We were heavily affected on the retail side of our business, and because we could use call data from the previous two weeks, we reacted quickly to call volume fluctuations and improved forecasting accuracy. We were able to identify agents who could be moved to new shifts or furloughed and made informed decisions about when to bring them back. Internally, our help-desk’s reputation improved. We increased call coverage, lowered average handle times, and escalations pretty much dried up. We can now automatically publish one schedule for both distributed teams, accurately forecast and better maintain our S.L.A.s. Most importantly, our customers are happier.”

Respondents who said that they used workforce management solutions were asked which functionality they actually used (as opposed to what was bundled in with the solution, but which was not used).

Figure 11: Functionality used within WFM solution, by contact center size



As would be expected, forecasting and reporting scored very highly, with real-time adherence to schedule and multiskilled forecasting/scheduling also seen as being very useful, especially in larger contact centers. Over half of respondents used workforce management solutions for more strategic aims including 'what if' scenario planning and longer term forecasting, figures which have risen noticeably in recent years.

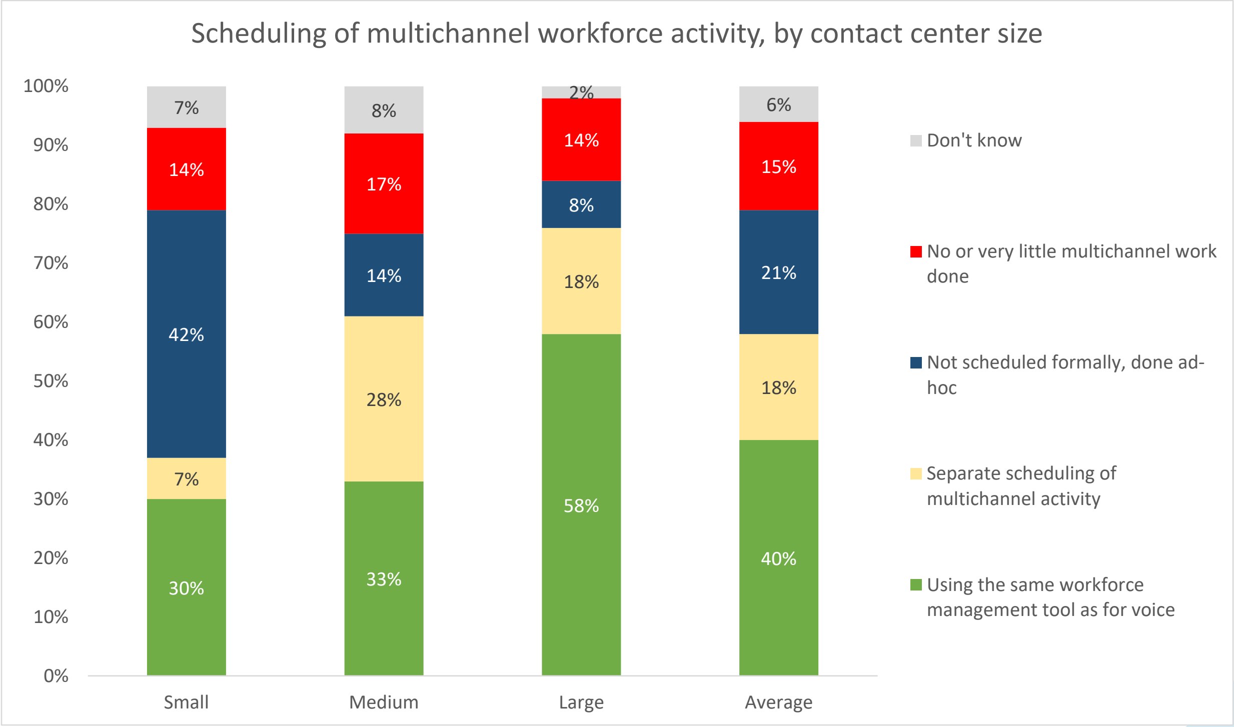
Almost half of respondents used agent self-scheduling, functionality which can be seen as a potential win-win for both agent and scheduler, in that it provides a more realistic schedule as well as giving the agent an element of control over when they wish to work. Again, this is a figure which has risen substantially.

Similar proportions used more recent forms of functionality such as multichannel scheduling and automated intraday changes. Large operations are much more likely to be using WFM for intraday. Back-office scheduling has grown greatly in recent times, functionality which supports businesses to deliver what the front office has promised. While outbound / blended planning is relatively less used, almost 1 in 4 of respondents are using WFM for this purpose.

40% of respondents – much higher in larger contact centers – use a combined voice and multimedia workforce management application, with 21% using an ad-hoc approach, which is more often found in smaller operations.

There was a noticeable lower use of separate standalone forecasting and scheduling for multichannel activity than in past years.

Figure 12: Scheduling of multichannel workforce activity, by contact center size

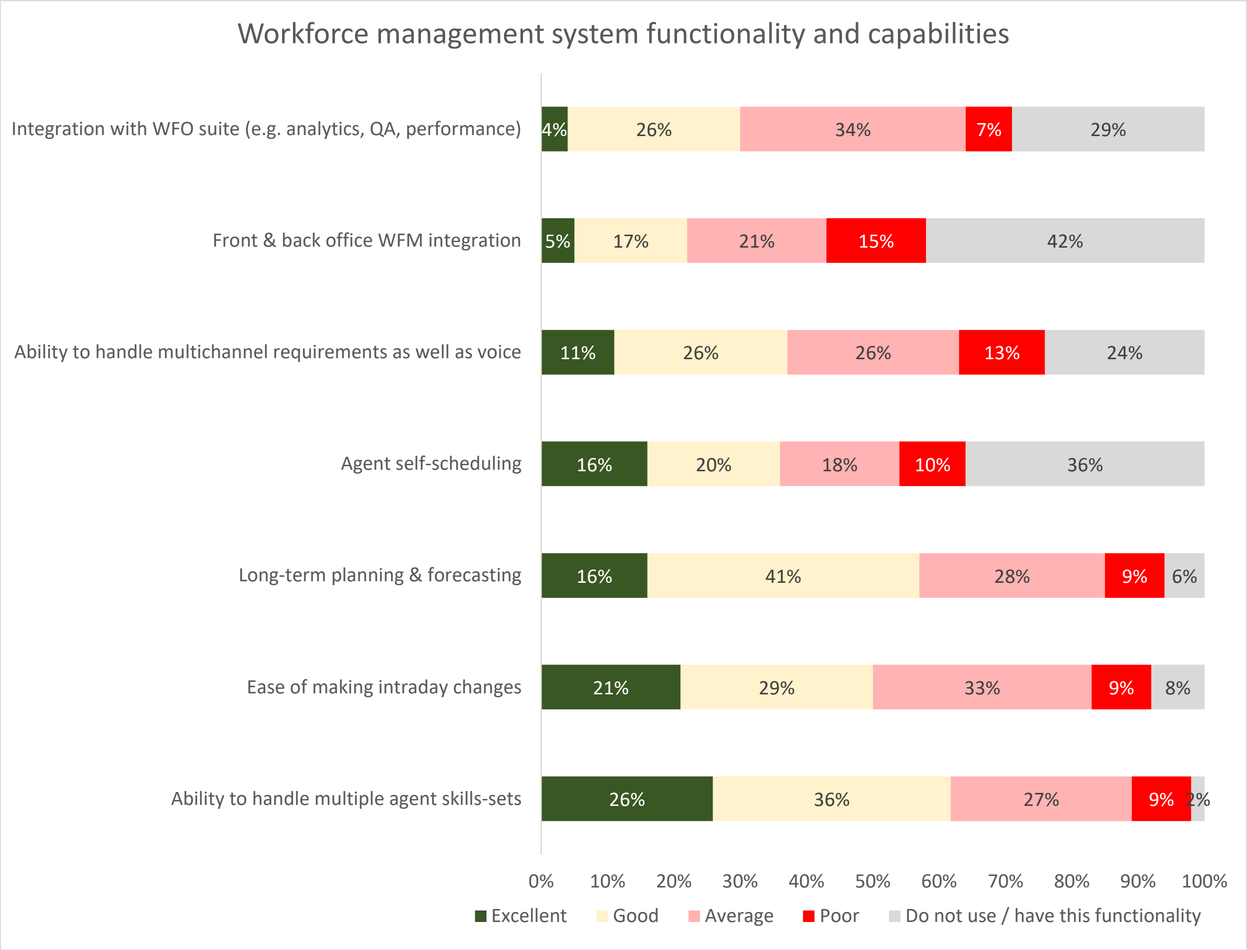


Respondents were asked to comment upon their opinion of the functionality and capabilities of their workforce management system as it stands.

Relatively few respondents commented negatively about any functionality (i.e. actively rating it as ‘poor’): however, while multichannel capabilities in particular are seen as having improved greatly in recent years, around 1 in 8 respondents still rate it as poor. Front / back office integration in particular receives a lukewarm response, with three times as many survey respondents rating it as ‘poor’ than ‘excellent’.

A case can be made that functionality graded as being ‘average’ could be seen in a similar context to ‘poor’: no organization or business would be satisfied if their products or services are merely rated as ‘average’ by their customers. If this hypothesis is accepted, then there is still significant room for improvement across the board.

Figure 13: Workforce management system functionality and capabilities

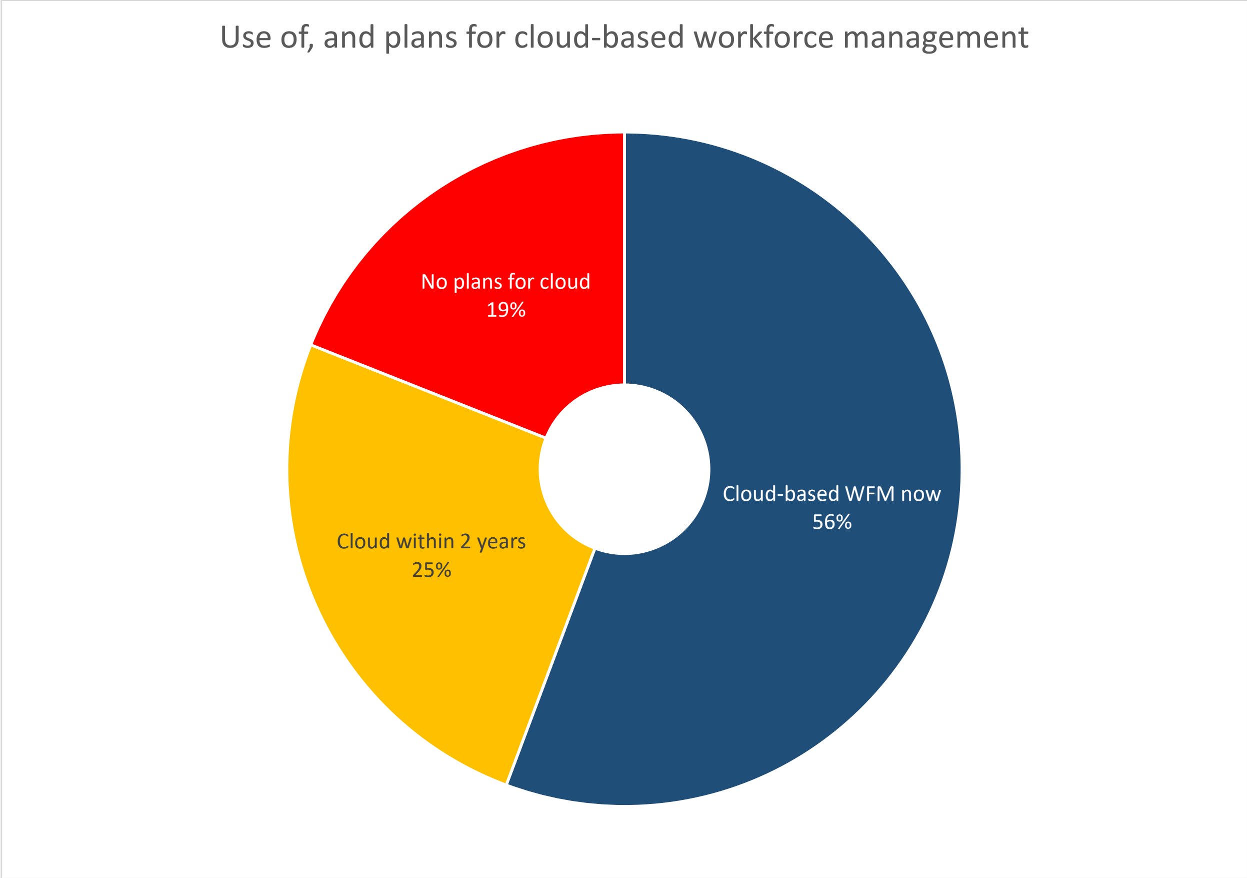


THE FUTURE OF WORKFORCE MANAGEMENT SOLUTIONS

Agents account for around 75% of contact center costs, and as effective workforce management solutions have such an impact on efficiency, productivity and expense of the operation, workforce management will continue to be the amongst the most important tools of the contact center's disposal. This is a very interesting time for those involved in WFM, as many disruptive influences – cloud, flexible working, analytics, multichannel / omnichannel and back office WFM – are coalescing simultaneously, driving vendors to expand and develop their functionality.

Cloud-based solutions don't just offer financial benefits: as the time taken to roll out new releases is so much less than the traditional CPE model, vendors can bring out new versions much more frequently, and experiment with offering cutting-edge functionality far sooner than they would in a traditional premise-based deployment environment. The continued rise in homeworking, virtualization, and mobility in general will be a major driver for the uptake of cloud-based solutions. This model also encourages smaller operations to implement WFM, or experiment with functionality that was previously out of their price range. The chart below shows the significant movement towards cloud-based WFM: the figure of 56% for cloud-based WFM was only 20% in 2015.

Figure 14: Use of, and plans for cloud-based workforce management



Workforce management solution providers are keen to expand out of the traditional contact center, with the **back offices and branches** of large organizations being seen as potential goldmines. Far more employees work in these spaces than in the contact center, although many back offices lack the same focus upon efficiency and the tools to improve it. With the increased focus on the entire customer journey – and the understanding that this is where many processes fail, making more work for the contact center in terms of call-backs – back-office processes are starting to fall within the remit of customer experience professionals, who are likely to take their knowledge of contact center workforce management and apply it in these new areas. The industry is likely to see back office and contact center workforce management systems will see ever-closer integration, or even to work as a single centralized function that can track and analyze the effect of different departments and processes on others throughout the customer journey. It is certainly noticeable that the use of back-office WFM functionality had grown greatly in the past few years, and elements such as intraday are often included within this.

This is not to say that selling back-office workforce management solutions is a simple matter of repackaging existing contact center functionality, as the back office has somewhat different requirements to the contact center – for example:

- lack of automation for tracking inbound/outbound work
- handling deferred workloads
- the assumption that forecasts built on contact center events and volumes are similar to the back office
- longer service levels
- different resource requirement calculations
- manual and complex tasks
- more likely to be based at multiple sites
- adherence to schedule without data from an ACD
- identification of bottleneck processes.

Yet the opportunity exists and contact center workforce management vendors are in a prime position to make the most of it.

Omnichannel/multichannel forecasting and scheduling will become even more important, not just as overall digital interactions grow generally across the industry, but also as those operations that have been struggling to handle a small proportion of emails recognize that the problem is not going to go away, and look to invest in new workforce management solutions. The recent issues around moving contact centers to a remote working scenario meant that some businesses decided on a digital-first strategy, and the huge increase in voice calls seen by some businesses meant that call queues were intolerable for many customers who then tried digital channels instead: digital channels have seen a major increase in volumes as a result, and this is unlikely to sink back to pre-pandemic levels, so businesses will certainly need to factor this into any forecasts and schedules. Additionally, the rise of chatbots and voicebots means that the interactions that AI carries out instead of agents should be considered in longer-term planning at the least.

While a considerable proportion of organizations still have dedicated digital teams, many small and mid-size operations have a much more flexible approach to omnichannel, and the ability to move agents between channels in the near-real-time capacity will be highly prized. It is noticeable in previous charts in the chapter that the majority of operations are less than happy with current omnichannel WFM functionality, so we can expect to see further efforts from solution providers into improving this.

It's important to understand that the number of channels will continue to increase: even traditional media such as letters and faxes still have their place in many contact center operations, and next-generation social media such as WhatsApp and Messenger are positioning themselves in the customer contact space, and the recent wave of new video users (e.g. through Zoom) means that customers will be familiar with this channel if businesses decide to use it. Next-generation WFM solutions need to be flexible enough to handle any number of new channels, taking into account their nature and customers' expectations of service level when using them. It is also likely that more sophisticated workforce management systems will be able to predict with a reasonable level of accuracy those interaction types which are likely to require more than one channel in order to handle them successfully, and forecast and schedule appropriately.

It is not only the changing mix of channels that should be considered, but also the type of interactions coming through each. It is fair to say that easier work will continue to move to self-service and AI-enabled digital channels, and it should also be noted that in the pandemic crisis, call lengths went up considerably: queries were more difficult; agents had less familiarity with these issues; remote agents often did not have the same access to their usual knowledge bases or support systems; customers who had waited a long time in a queue may want to ask more questions or receive greater reassurance so that they won't have to call back. When the dust has settled, WFM planners should consider what interactions look like in pandemic or other emergency situations, and use this to model future resourcing.

There has been significant investment made in recent years to improve the **WFM user interface** without sacrificing the sophistication of the solution, in order to offer the benefits and capabilities to a wider audience than dedicated technical WFM professionals. This will accelerate, as it is in the interests of both the vendor and the business to be able to use more advanced functionality: on the one hand to justify the extra expense of the solution compared to basic workforce management; on the other to gain competitive advantage without having to employ more WFM specialists.

Contact centers as a whole are now certainly less centralized than in the past: **virtualization and homeworking** have recently become well-entrenched in many organizations, with knowledge workers also being used more frequently. Users of WFM may also need to consider how any crowdsourced customer support resources will affect the demand for agents' services. The power and ubiquity of smartphones and tablets have led to an increase in mobile working – no longer do supervisors or managers have to be at their desks in order to monitor performance and react accordingly – and the new generation of workers have an expectation, both culturally and supported through regulation, that their employment will be treated as flexible by the business as well as themselves. This attitude towards work, and the increased empowerment of individuals will mean WFM functionality that allows shift-swapping, vacation bidding and short-notice shift changes are now required, with smartphone apps supporting this. The term 'intraday' – referring to dynamic scheduling and resourcing in response to rapidly changing conditions – is so useful and necessary that intraday capability has become standard functionality in many WFM solutions.

It is also likely that increased agent self-responsibility will lead to a situation where they are more empowered and aware of their own performance and skills gaps, allowing them to take control of their education and training rather than waiting for a team leader or trainer to tell them what to do.

The technological strides being made in **analytics** are leading to advances in data modelling and analysis that are finding their way into current and future workforce management offerings, including the use of artificial intelligence to improve forecasting and scheduling in difficult-to-optimize areas such as call blending. Customer journey analytics, which includes looking at workload necessary in back office operations to fulfil the overall transaction, will be supported through the use of artificial intelligence which will be able to use data from multiple sources throughout the enterprise in near-real-time to predict demand, forecasting and scheduling resource based upon far deeper data than simply historical ACD statistics.

WFM will continue to **integrate** more deeply with other elements of the WFO suite: analytics is an obvious area where business intelligence and contact center performance meet closely, but also the performance management and QA modules, identifying best practices and singling-out agents skilled in particular types of interaction or channel. This will enable contact centers not just to have enough agents at the right place at the right time, but enough of the **right** agents. This insight will also feed into coaching and eLearning functionality, sharing best practice and identifying training opportunities. This focus on putting the right agents in the right place at the right time can go a step further by looking at agent personas, which are based on past performance and biodata, as well as their personalities, behavior and motivations in order to match agents with the predicted type of work and customers that they would be best at handling.