

# Call Center Quality Improvement



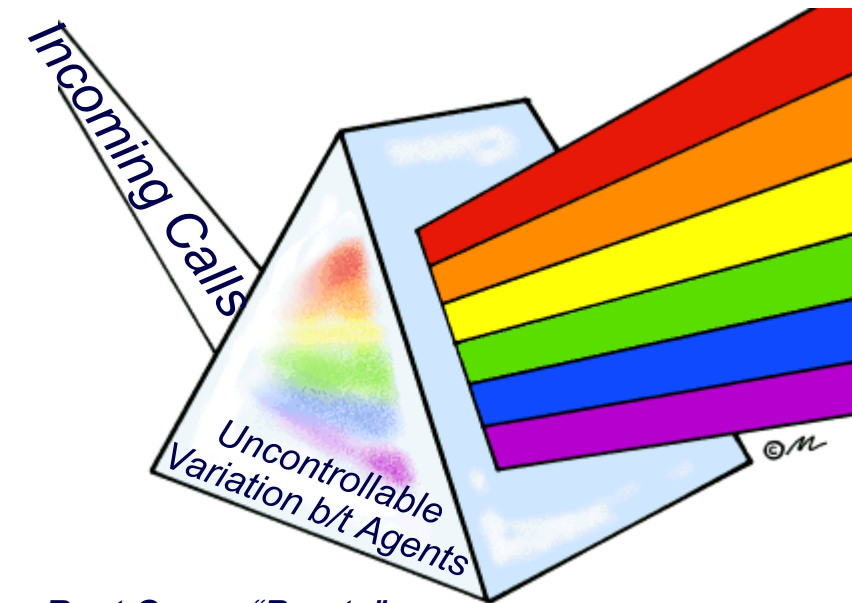
Why Deming is Spinning in His Grave and  
How to Help Him Rest in Peace

# Agenda

- **The #1 challenge in call centers: Between-agent Variation in process and output metrics**
  - Some real data and call samples
- **Two deadly mental models crippling the ability of call centers to improve agent performance and center-wide metrics**
- **The multiple reasons why the go-to improvement strategy is not working and is in fact making things worse**
- **Agent-assisted Automation: How focusing on the system (and stealing a page from manufacturing) changes everything**
- **Demos**
- **Results**
- **Q&A**

*When riding a dead horse, the wisest strategy is to dismount*

# The Between-Agent Variation Problem and Its Consequences



## Root Cause "Pareto"

- Individual Differences (IQ, Personality, Accent)
- Knowledge & Skill Differences (training, coaching, experience)
- Motivation differences
- Mood Differences
- Focus Differences

## A Blizzard of Bad Outcomes w/ Real \$\$ Impact

- Failure to cross-sell (*Lost Revenue*)
- Offshore accents (*Lower CSAT, Less WOM*)
- Repeat Calls from poor First Call Resolution (*Increased Cost*)
- Excessive AHT/ACW (*Increased Cost*)
- More coaches/off-phone coaching (*Increased Cost, No ROI*)
- Lower diagnostic/warranty compliance (*Increase RMA Cost*)
- Poor compliance with laws/regulation (*Fines, Legal Fees, Rework*)
- Credit Card Theft (*Legal Fees, Reputation, Increased PCI-DSS Compliance Costs*)

*The customer experience depends on the quality/mood of the agent who happens to answer.\* The agents are the process.*

\* *Manage Your Human Sigma, Harvard Business Review*

# Phone Activation Data

**Twenty-five groups of 4-6 Stanford MBA students went to Target, bought a Pre-Paid cell phone, called to activate it, and recorded data about the call**

**6. Did the agent tell you how to check your balance of minutes?**

Yes      36%  
No        64%

**8. At the end of the call did the agent welcome you to the (company name) family?**

Yes      64%  
No        36%

**11. Rate the agent's ability to help you install the SIM card.**

#	Answer	Response	%
0	0	0	0%
1	1	0	0%
2	2	2	9%
3	3	3	14%
4	4	2	9%
5	5	3	14%
6	6	2	9%
7	7	1	5%
8	8	5	23%
9	9	2	9%
10	10	2	9%
	Total	22	100%

*An astonishing amount of variability on a stone-simple phone call*

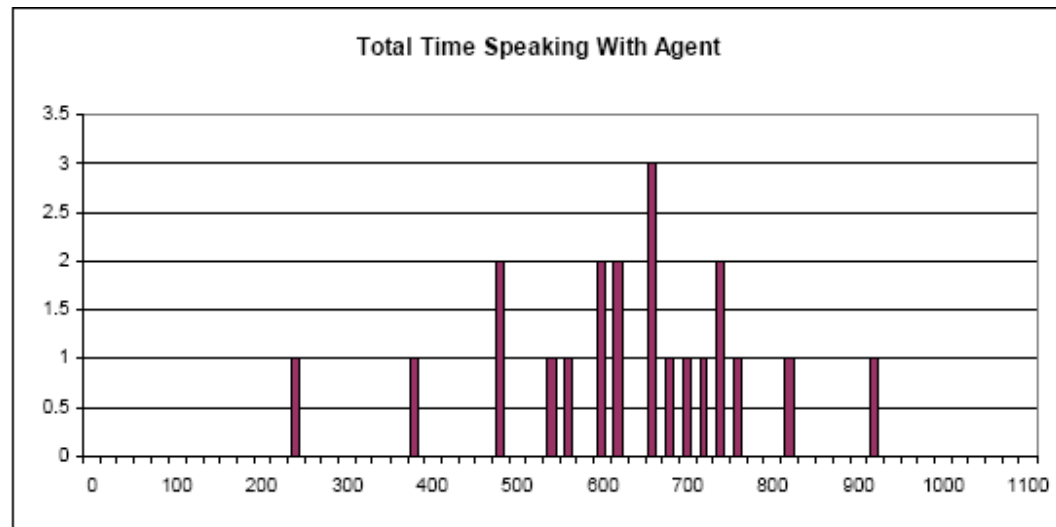
# Phone Activation Data

## 4. Did the agent tell you how to add minutes?

Yes	23%
No	77%

## 5. Did the agent try to up sell you any services?

Yes	23%
No	77%



***AHT ranges from 4 mins to 15 mins!***

*Bad short-term shareholder results ...*

# Phone Activation Data

12. Rate your satisfaction with the agent.

#	Answer	Response	%
0	0	0	0%
1	1	0	0%
2	2	1	5%
3	3	0	0%
4	4	0	0%
5	5	2	9%
6	6	5	23%
7	7	4	18%
8	8	8	36%
9	9	2	9%
10	10	0	0%
	Total	22	100%

13. Rate your impression of this brand.

#	Answer	Response	%
0	0	0	0%
1	1	0	0%
2	2	0	0%
3	3	2	9%
4	4	3	14%
5	5	5	23%
6	6	5	23%
7	7	1	5%
8	8	5	23%
9	9	1	5%
10	10	0	0%
	Total	22	100%

*Bad long-term shareholder results: A negative brand experience for almost 50% of the callers*

# Phone Activation Data

Thank you for calling (company name). My name is \_\_\_\_\_, How may I help you? (N=12)

Welcome to a wonderful day at (company name). My name is Michael. Can I ask for your name please?

"You are number one. My name is Irish. How may I help you?"

Hey thank you so much for calling (company name). For future reference my name is Kevin

This is Karen speaking, how may I help you today? (pause) Thank you so much for choosing TMobile for your provider.

Wonderful day to you. Welcome to TMobile. How can I help you?

Thank you for calling (company name).It's a beautiful day at (company name). My name is Maureen. How can I help you?

How can I help you today?

Thanks for calling. My name is Hailey. How can I help you today ?

Hello, can I please have your activation code?

## Now Add in Accents



### Live Agent Intro



### Live Agent Disclosures

*If agents can't deliver a standard greeting, how confident are you that the rest of the call is right? Accents add another challenge. What do we do with this agent?*

# The Modal Response to These Challenges

## The Industry's Core Challenge

Get each agent to do/say what we want, when & how we want them to

## Deadly Mental Model #1

- 1) The center wide metrics represent the weighted average performance of all the agents
- 2) I can improve my metrics by improving (training, coaching) each agent

## The Go-To Strategy: "We monitor and coach agents."\*

- Record Phone Calls (Capital Expense for licensing costs)
- Sample Monitor (Indirect Labor, Unfettered access to privacy information)
- Coach (Off-phone time)

\* The Future of BPO and the Question that will Determine the Winners

*Beyond the math of it, is this approach theoretically sound? Is it delivering practical results? Is there any ROI?*



# Reasons Coaching is Unlikely to Lift Center-wide Metrics

- **How much does Manufacturing Rely on Coaching?**
- **Real Between Agent Variation vs. System Variation**
  - Deming's Red Bead Demonstration
- **A fusillade of practical problems with coaching**
  - Deadly Mental Model #2
  - Hiring Challenges
  - Simulation Results

# Top Lean Improvement Tools Used in Manufacturing

## ***Tools for Execs***

- Value Stream Analysis
- Hoshin Planning
- A3

## ***Quality Tools***

- Five Whys
- Seven Basic Tools (Fishbone, Pareto, Control Charts)
- Poka Yoke
- Andons

## ***Flow Tools***

- Set up Times
- Kanban
- Standard Work

## ***Human Development Tools***

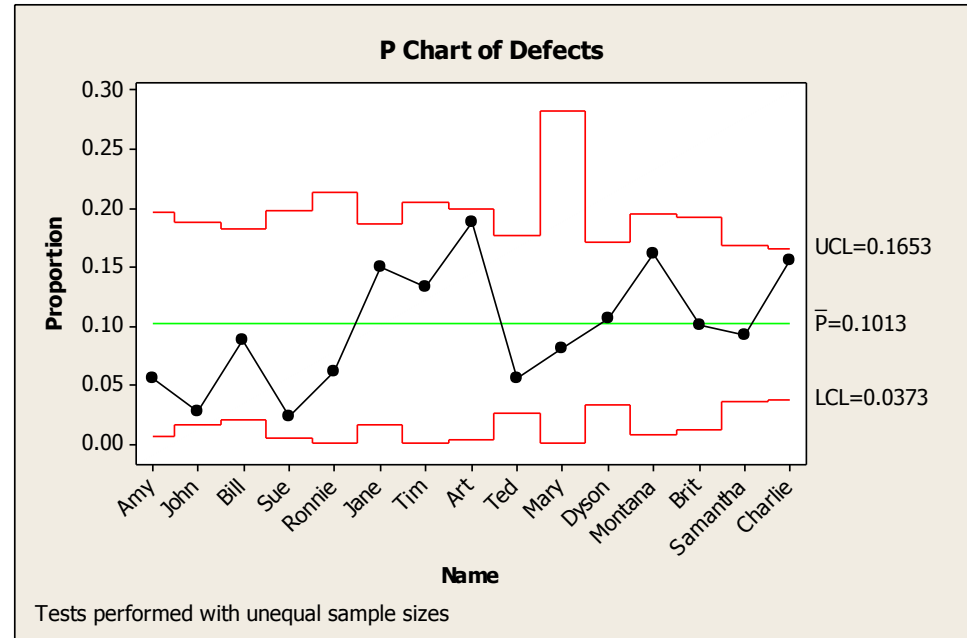
- Event participation
- 6S (Sort, Separate, Shine, Standardize, Sustain, Safety)
- Ergo Kaizen
- Suggestion Systems

*From Leading the Lean Enterprise Transformation by George Koenigsacker*

*Coaching doesn't even make a long list of essential lean manufacturing quality improvement tools*

# Deming's Red Bead Experiment: Worker Performance vs. Performance of the System

Name	Calls	Defects	Proportion
Amy	90	5	6%
John	110	3	3%
Bill	125	11	9%
Sue	87	2	2%
Ronnie	65	4	6%
Jane	113	17	15%
Tim	75	10	13%
Art	85	16	19%
Ted	145	8	6%
Mary	25	2	8%
Dyson	170	18	11%
Montana	93	15	16%
Brit	100	10	10%
Samantha	185	17	9%
Charlie	200	31	16%

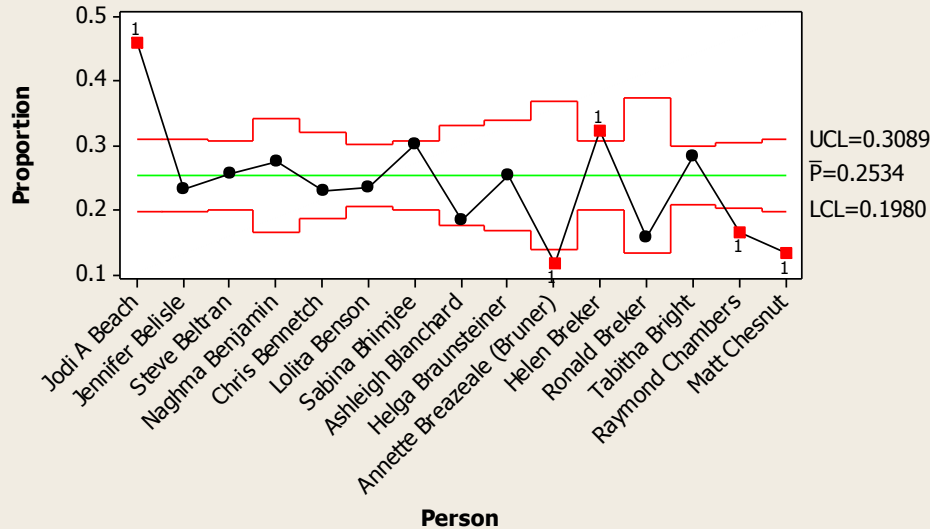


**Management: We need an all out effort on the bottom 30%!**

*Treating Common Cause variation as Special Cause and coaching is wasted effort that increases variation*

# Agent Variation vs. System Variation

P Chart of Insurance Sales Conversions



Tests performed with unequal sample sizes

- *Before you start coaching, you have to differentiate “signals” from “noise.”*
- *Jodi Beach and Helen Breker are performing fundamentally differently than their peers...why?*
- *Annette Bruner, Raymond Chambers and Matt Chesnut on the other hand are not keeping up. They do need to be coached.*
- *The rest of the agents, within the control limits, collectively represent the performance of your “system” (how you hire, train, coach, the tools you provide, your management operating mechanisms, etc)*

*Use statistics to separate signals from noise. Study/Reward the best. Manage the worst up or out. Focus the bulk of your effort on “the system” to raise the performance of the rest. RIP Uncle Ed!*

# A Fusillade of Practical Problems...

- The ideal process is often never even defined...especially in tech support
  - Tech Support Example
  - Deadly Mental Model #2 (see next slide)
- You have no idea what the agent is doing on each call...most errors and sub-optimizations go completely unnoticed...could be coaching the wrong things
- Still have to rely on hope...no guarantee the agent will remember, want to do it, and then actually do it: Hope is not a strategy.
- Recording and Monitoring is 1) an after-the-fact inspection step, and 2) expensive (equipment, monitors, off phone coaching/training). Where are the CFO's asking for the ROI on this?
- Is there an upper bound?
  - "People are 3 Sigma machines at best"
  - Further problems with the quality of the staff we can even get (see next slide)
- Turnover...35-40% domestically, 150-250% offshore...as soon as the agents are performing at an acceptable level, they leave and you start over with new agents...(see simulation data)

*Coaching may help an agent improve...but as a center-wide quality improvement tool, it is sailing into serious headwinds*

# Deadly Mental Model #2:

- “You can’t define a standard call handling process for each call type because each caller and each call are as unique as a snowflake.”
  - Two Toyota Camrys walk into a bar...
  - Two lost credit card calls...60-80% identical

*Is it time for mass customization of call centers?* Interview with David Sims atTMCnet

*Standardize/error-proof that shouldn't or don't need to vary and customize what the customers care about (small talk, additional explanation)*

# How Good Can the Call Center Staff Get?

## In the Ideal World We Would Have:

- Bright, well-educated agents...
- ...who are mature, conscientious and reliable...
- ...who are well trained
- ...who are warm, embracing and patient with clients...
- ...who are easy to understand
- ...and who stay for five years

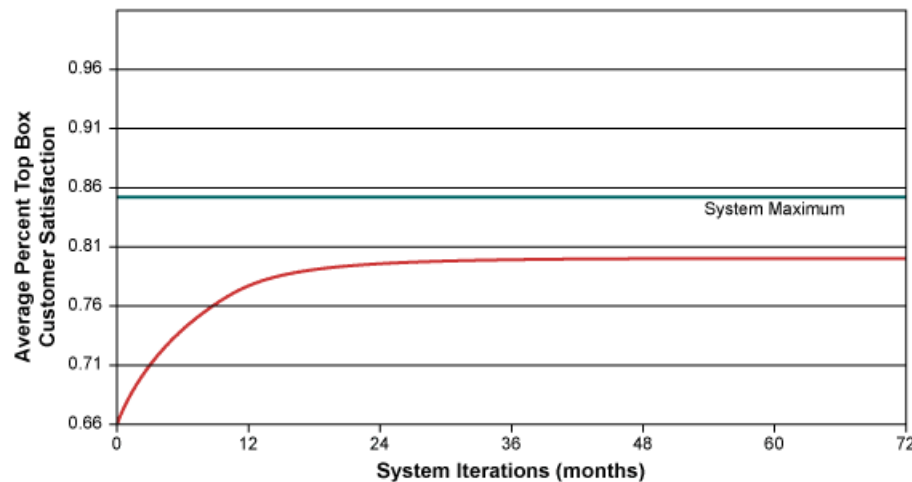
## In the Real World, We Have:

- People often without a college degree looking for an entry level job...
- who probably are young, less mature and texting/surfing/chatting during calls...
- ...who probably got put on the phones before they were ready...
- ...who, in short order, are burnt-out from the repetition and end up being impatient and rude
- ...who are speaking in a second language often with an accent
- ...and who will likely quit in less than six months

*Why not the ideal world more often? GMs/PMs are not willing to pay that much for support.*

# A Simulation

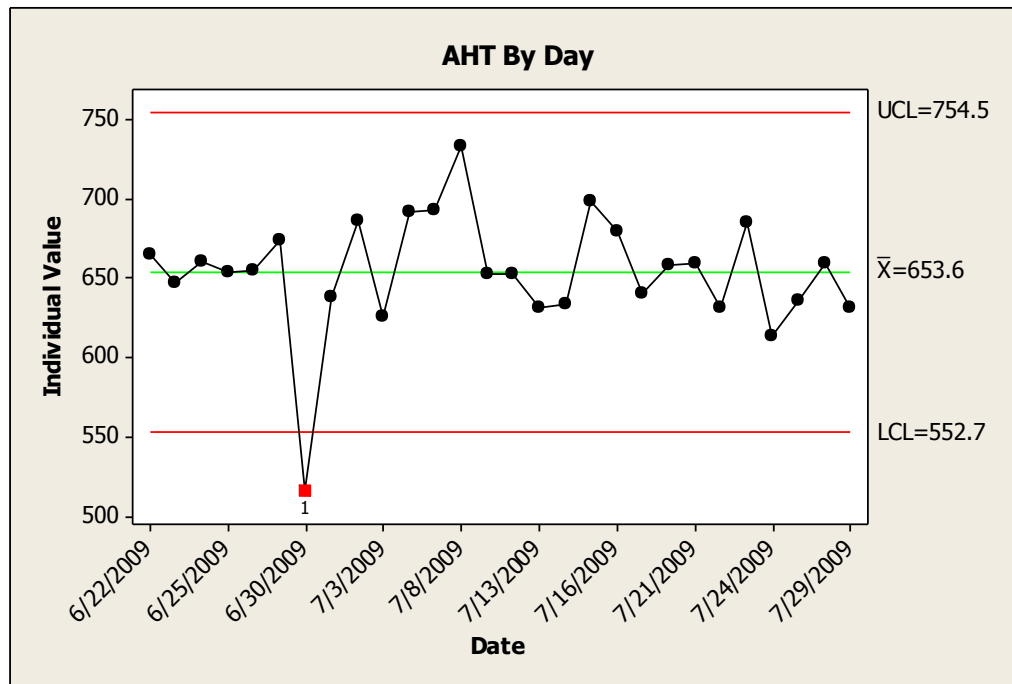
- *The Futility of Call Center Coaching at isixsigma.com (w/ Andrew Pyzdek)*
  - 100 “Agents”
  - Started at 66% performance after “training”
  - Every “month” they got 2 percentage points better for first six months due to “coaching,” then 1 percent better
  - Every month 3% of the agents “turned over” and were replaced by new agent at 66%



*System improves at first but eventually the “turnover” eats all the gains from “coaching”*



# Bottom Line: No Improvement, No ROI



1. Pick any measure you care about and graph it for the last year.
2. If it is *continuously* improving, I'll eat my hat.
3. If it is not improving, where is the ROI on what you are doing to raise it?

*Worse the reliance on coaching may be preventing exploring solutions that could work*

# Which Lean Tools Could We Turn to for Help?

## ***Tools for Execs***

- Value Stream Analysis
- Hoshin Planning
- A3

## ***Quality Tools***

- Five Whys
- Seven Basic Tools (Fishbone, Pareto, Control Charts)
- Poka Yoke
- Andons

## ***Flow Tools***

- Set up Times
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- Standard Work

## ***Human Development Tools***

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*From Leading the Lean Enterprise Transformation by George Koenigsacker*

*The integration of these three simple ideas can deliver jaw-dropping improvements*

# Changing the Game: Agent-Assisted Automation

- Standard Work: Engineer a single process... exactly what you want agents do and say for each call type
- Poka-Yoke: Make it easy for the agents to execute the process (and impossible to skip anything critical) with pre-programmed web actions and prerecorded audio files
- Value Stream Analysis: Continuously improve that process and instantly make all 50, 500 or 5000 agents better

*Focusing on getting increasingly larger chunks of the process right vs. trying to fix the agents one at a time*

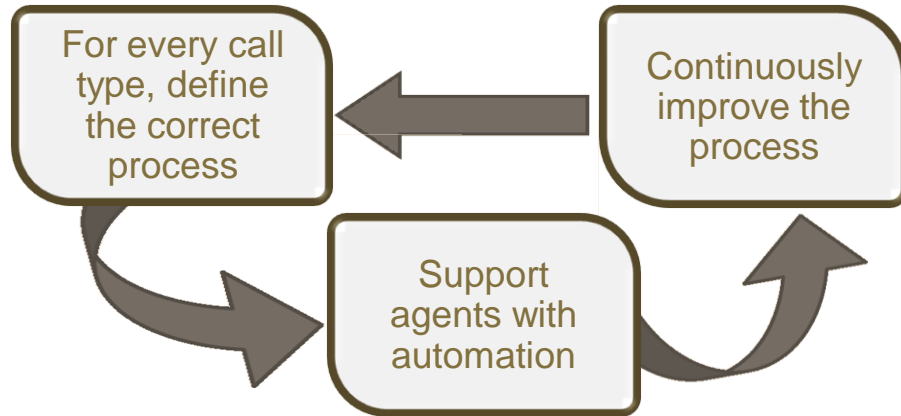
# Types of Quality Problems and How AAA Helps

Types of Quality Problems	Measures Affected	Agent-assisted Automation
Agent Fraud & Consumer Fraud	<ul style="list-style-type: none"> <li><input type="checkbox"/> Legal/PR Costs from ID Theft</li> <li><input type="checkbox"/> Support Costs: “Hidden Factory” to fight chargebacks</li> </ul>	<p>SecureCall</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Error-proof: process the Credit Card without the agent ever seeing it or hearing it</li> </ul>
Skipped Steps; Steps Performed Incorrectly;	<ul style="list-style-type: none"> <li><input type="checkbox"/> Compliance</li> <li><input type="checkbox"/> Time to achieve Process Change Compliance</li> <li><input type="checkbox"/> Internal Call Quality Scores</li> <li><input type="checkbox"/> First Call Resolution</li> <li><input type="checkbox"/> CSAT/Net Promoter</li> <li><input type="checkbox"/> Cross-sell %s</li> <li><input type="checkbox"/> Support Costs: Increased Training, Monitoring, Off-Phone Coaching</li> </ul>	<p>ExactCall:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Define the correct process</li> <li><input type="checkbox"/> Automate: use prerecord audio and automate desktop tools so it is exactly right and easy for the agents</li> <li><input type="checkbox"/> Error-proof the step so it can not be skipped</li> </ul>
Too Slow or Too Much Handle Time Variability Across Agents	<ul style="list-style-type: none"> <li><input type="checkbox"/> Average Handle Time</li> <li><input type="checkbox"/> After Call Work</li> <li><input type="checkbox"/> Average Speed to Answer (because variability affects forecast accuracy)</li> </ul>	<p>ProtoCall:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> End-to-End Call flow engineering</li> <li><input type="checkbox"/> Automate: Use prerecord audio and desktop tool integration so it is exactly right</li> <li><input type="checkbox"/> Continuously study and improve the process</li> </ul>
Agent Accents	<ul style="list-style-type: none"> <li><input type="checkbox"/> CSAT/Net Promoter</li> </ul>	<p>ProtoCall:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Use pre-recorded audio to handle larger sections of the call, especially at the beginning</li> </ul>

*Quality 101 applied to Call Centers: Standard work, automation, error-proofing, continuous improvement*

# DEMOS

# How Changing the Game Pays Off



See ROI Calculator: <http://www.kombea.com/Calculator-Compliance.shtml>

*\* Call Centers: The Deep and Still Largely Untapped Vein of Operational Profit*

## Revenue

- ✓ Increased Cross-sell (Up 5X)
- ✓ Improved CSAT (CSAT up 3x, Accent Escalations Reduced to Zero)
- Reduced Consumer Fraud
- ✓ Improved Collections (Up 50%)

## OPEX

- Reduced Dir Labor from...
  - ✓ Lower Call Volume
  - ✓ AHT (down 40%) (see next slide)
  - ✓ ACW (down 80%) (see next slide)
    - Turnover
  - ✓ Less Training Time (down 50%)
- Reduced Indirect Labor
- ✓ Reduced Fines (Down 100%)

## CAPEX

- Reduced Infrastructure Spend (due to less Dir Labor)

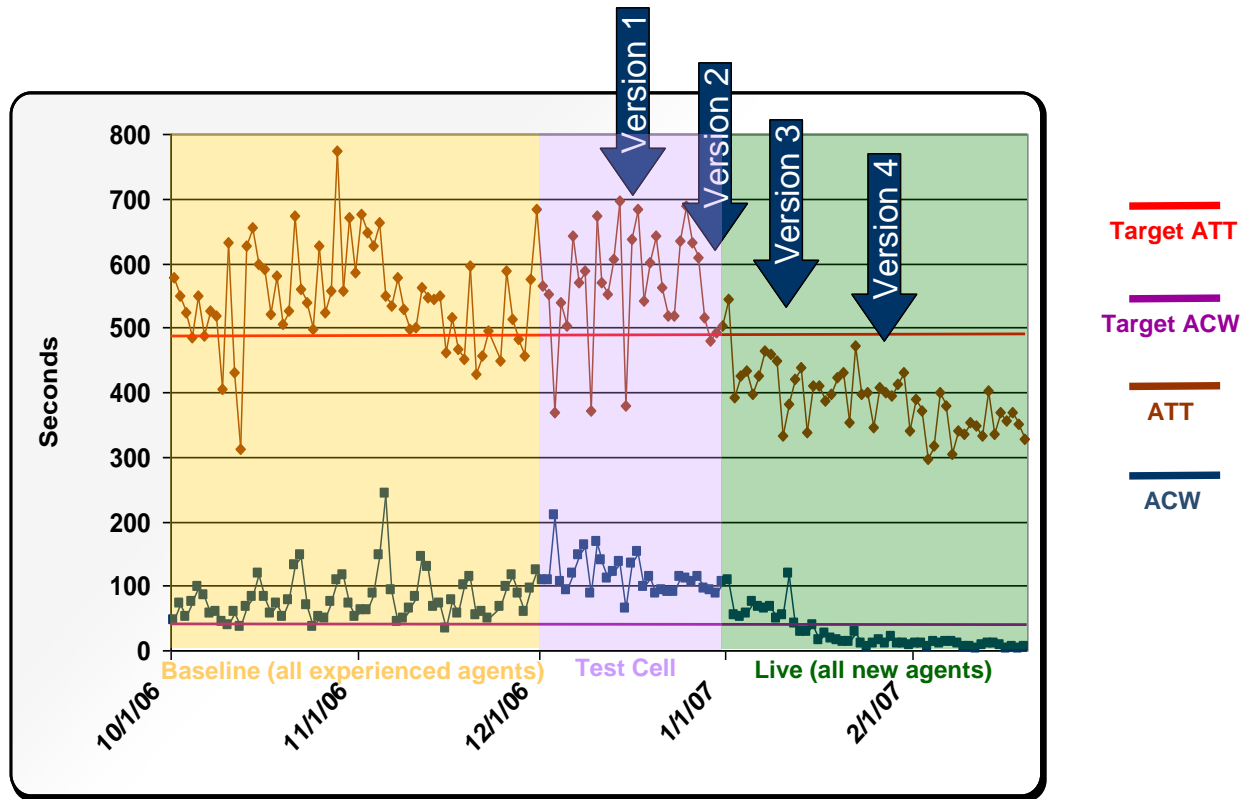
## Other “Hidden Factory” Costs

- Reduced Legal Costs
- Reduced Chargeback processing
- Reduced RMA processing
- Reduced Customer Complaint Handling

*A new and promising approach that can drive across the board improvements in financial outcomes*

# What This Approach Enables

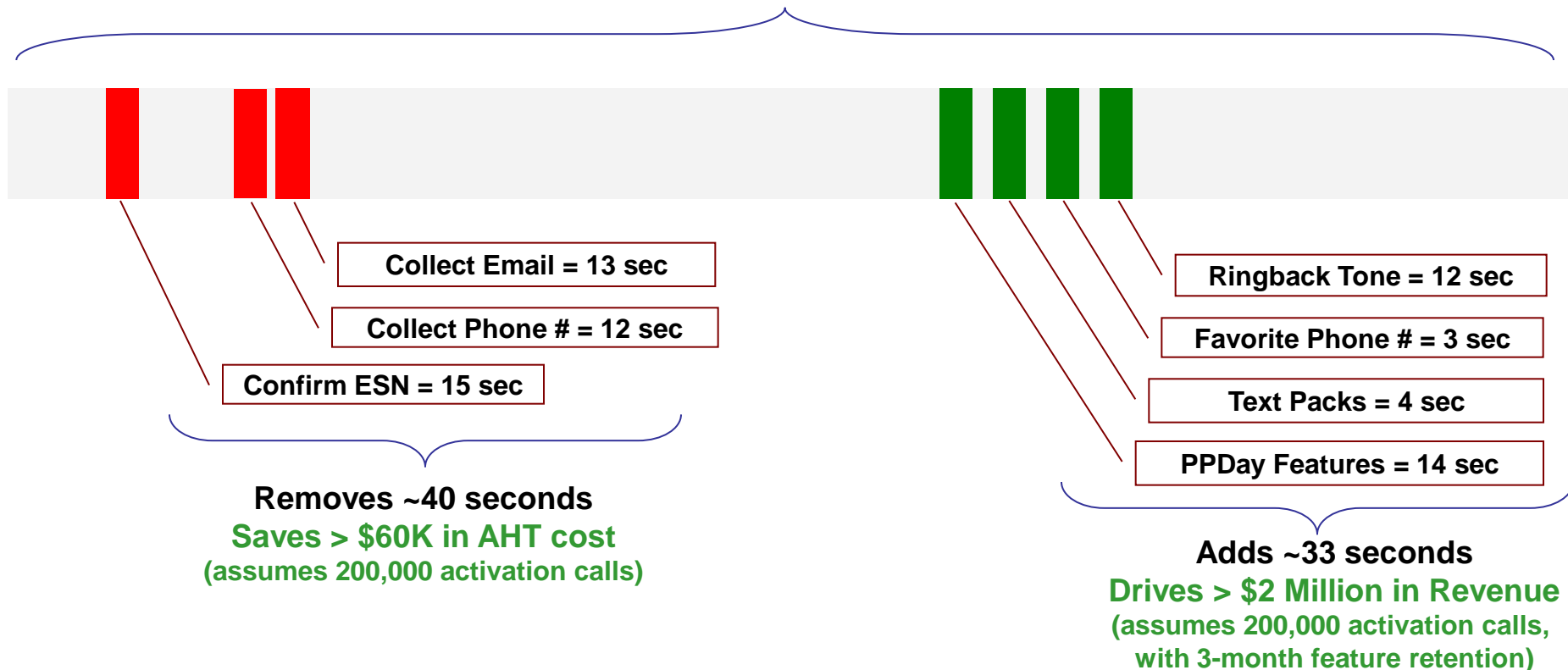
## Talk Time and After Call Work



*The ability, for the first time, to drive systematic, sustained improvement in critical call center metrics*

# Process Adherence is Not Just About Costs...

**Overall AHT = 528 seconds**



*Putting the cost and value tradeoffs clearly on the table followed by instant compliance*



# Summary & Closing Thoughts

- 1. Between-agent variation in process and outputs is the #1 problem in call centers today**
  - Every other problem pales in comparison, even turnover
  - The bars in the root cause Pareto don't matter...we just need to solve it
- 2. The dominant mental models (“one-agent-at-time” and “every call is different”) have turned into limiting beliefs preventing us from considering other approaches**
- 3. Coaching might work for an individual agent. It hasn't, can't, and won't improve center-wide metrics**
  - Make a 12 month graph of every call center output you care about
  - Getting Better, Getting Worse, or Treading Water?
  - What is the plan to drive significant and/or continuous improvement? If “monitor and coach,” see #3
- 4. Powerful tools exist (Standard Work, automation, error-proofing, value stream analysis) with a long track record of improving manufacturing and administrative quality and productivity. It is in our best interest to use them.**

*Let's help our leaders dismount this dead horse so Deming can RIP*

# Thank You!

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# Appendix

# Results for Reps: Outsourcer Agent Verbatims

1. 80% of the time you don't have to use your own voice which gives the customer **faster and more accurate answers**. In turn making my job easier. -Brandon Agletti
2. It took me awhile to get used to the concept of ProtoCall and Kombea let alone carrying out and applying it to customer calls. My initial judgment was that I would lose the personal touch when dealing with customers. My mind quickly changed when I realized that ProtoCall could not only answer every question the customer has but can do so in an incredibly efficient manner. **Banter and chit chat is [minimalized]** allowing me to move onto the next call, increasing my stat levels. The customer is happy, my commission level rises, it's like a match made in heaven. Not to mention worse case scenario **when a customer needs a little extra TLC, I'm there with the click of a button** to relieve their worries. It's the perfect compilation of man and machine working together harmoniously to give absolute service to the customers. -jake ;)
3. It allows me to **save my voice from day to day wear and tear** that can result from call center work, and also that it allows me to work on reasoning out the customers actual problem while ProtoCall handles speaking to the client, freeing up my thought process for deducing a solution. -Jason Sager
4. **Doesn't reflect the representative's mood** especially if he is just finished with one of those terrible calls. -Sameh Mikhail
5. When a task needs to be done for a client, it takes 2 seconds, whether they need to make a draw, or update their information, etc. ProtoCall does all of it for us. I know that this is probably not the straight answer you wanted, but I do think that it is really cool how ProtoCall will automatically send surveys, and majority of the time ProtoCall is updated to give the correct and up to date information to the clients. **Also on a funny note, a lot of the time clients know it is a recording, and they can't really argue with a recording :-)** -Victoria Nielsen
6. [ProtoCall] is one of the greatest human inventions. I guess that shows how man can **make job a little easier and convenient**. -Charlotte Ramones

*Outsourcer agents who rotated off the ProtoCall-enabled account to another account are dying to get back to using ProtoCall*