



## **When To Buy Contact Center Workforce Management**

*Lindsey Higgs, Colleen Niven*

### **The Bottom Line: Manual workforce management processes will not work when the contact center has more than 60 agents**

In most cases, contact centers with less than 60 agents can schedule service reps using spreadsheets and monitor the quality of customer service by having a manager walk the floor. However, once the agent workforce grows beyond 60, these manual processes fall apart, forcing users to turn to technology for help.

- The users that AMR Research interviewed began using workforce management software once they had grown to about 60 to 70 agents.
- In order to get the most out of the system, change processes to strike a balance between the culture of your contact center and the optimization the software tools can provide.

### **Findings and Analysis**

AMR Research interviewed managers of multisite contact centers to assess the problems they face with scheduling, quality monitoring, and other agent management duties. Vendors are selling software that promises to reduce agent turnover and increase service levels, and users are reaping the benefits.

- Contact center workforce management software helps users address nine management challenges.
- The size of the workforce and complexity of the business dictate where to invest first.
- Barriers to effective workforce management are matters of culture, not technology.
- Workforce management can be a quick win in your contact center with impressive Return on Investment (ROI).
- No single vendor can handle all nine management challenges.

### **If your contact center has more than 60 agents, manual workforce management processes will not work**

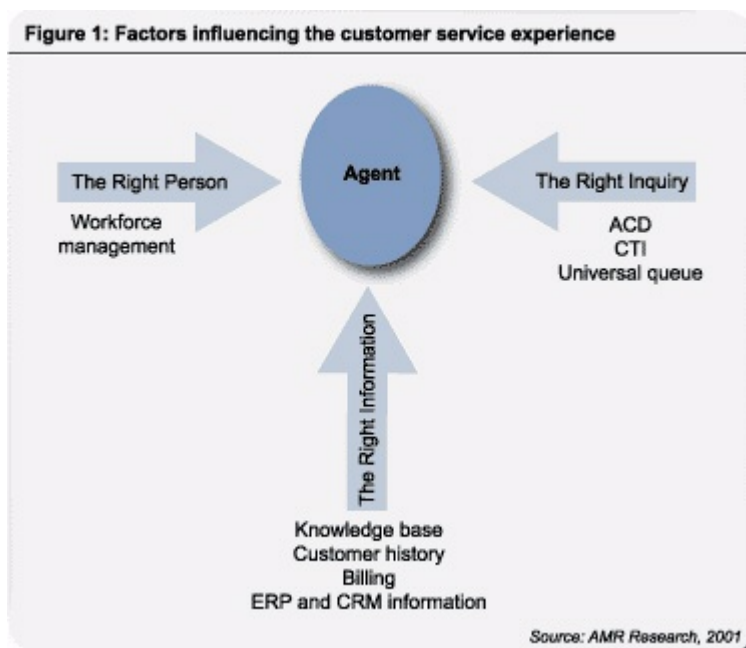
AMR Research interviewed contact center users from numerous industries, including Financial Services, Healthcare, Publishing, High-Tech, and contact center outsourcers. Regardless of agent skill levels, the number of contact center sites, contact center technology already installed, or type of industry, users agreed on one thing: 60 or more agents are just too many to manage using only *Excel* spreadsheets, ad hoc training, and quality monitoring. Users reported that once they had 60 or more agents, managers were spending an inordinate amount of time juggling agents' schedules and trying to monitor their performance, and that the time spent on these tasks was taking away from time that could be spent actually managing.

## The Recipe for Great Service

To assure the highest-quality customer service, contact center managers must provide their workstations with three ingredients:

- **The right contact** --Capturing the interaction and using intelligent routing to get it to the appropriate agent's desktop, based on type of inquiry, type of customer, and agent skillset
- **The right information** --Pulling the relevant customer, product, and order information from Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), billing, knowledge management, and other systems
- **The right person** --A person who is fully trained, has a pleasant attitude, and is scheduled to work the most appropriate shift

In the most well-equipped contact centers, these three aspects are backed by analytics technology, which is used to constantly monitor and improve the service experience for customers.



## Contact center workforce management software helps users address nine management challenges

When developing a strategy to manage agents, there is more to consider than just scheduling. Table 1 illustrates workforce management problems and the technologies that solve them.

**Table 1: The nine workforce management challenges**

<b>Challenge</b>	<b>Technology Solution</b>
Ensuring that customers' experiences with the company are consistent, regardless of the agent they speak with	<b>Scripts</b> that guide agents through the conversation
Providing agents with initial and ongoing training and personalizing each agent's training	<b>E-Learning</b> systems that recognize skill gaps and automatically push course content to the agent
Retaining the most qualified agents	<b>Incentive Management</b> systems that track performance and rewards for those who exceed expectations
Monitoring agent conversations for quality control purposes	<b>Call Recording</b> systems that record and store phone conversations
Understanding how recorded phone conversations match screen activity	<b>Desktop Recording</b> systems that record screen activity, online chat sessions,
Collecting and storing raw data about agent performance	<b>Key Performance Indicator</b> tracking functionality within other systems that collect data about service experiences
Aggregating the raw data to gain insight into agent performance and service levels	<b>Reporting</b> functionality that analyzes and depicts raw data
Justifying the need for increased/decreased headcount, and managing agents' schedules	<b>Scheduling and Forecasting</b> applications that use past data to predict future contact volumes and the need for
Identifying the best candidates to hire	<b>E-Recruiting</b> applications that put potential agents to the test to determine their skill levels before they are hired

*Source: AMR Research, 2001*

## **The size of the workforce and complexity of the business dictate where to invest first**

Managers we interviewed did not, however, invest in technology to automate every one of the nine prevailing workforce management issues.

- When budget constraints allowed room for only one workforce management investment, users chose scheduling software first if their mix of skills, business hours, and time zones was complex.
- They bought quality monitoring first if they were managing hundreds or thousands of agents with little diversity in skillsets.

Scheduling and quality monitoring are almost always the first two workforce management investments to make, while applications like e-recruiting, incentive management, and even e-learning have not yet become staples of the modern contact center. Users we interviewed were interested in these applications as follow-on investments to be planned for a later date.

## **Barriers to effective workforce management are matters of culture, not technology**

Users all agreed that striking a balance between culture and optimization is crucial to success. One manager we interviewed worked in a major metropolitan area containing 125 large-sized contact centers. With all the competition for talent, the threat of attrition was high, and this manager needed to maintain a desirable company culture while optimizing the staffing plan. When his scheduling application forecasted a need for increased staffing during evening hours, he offered voluntary--not mandated--overtime to tenured agents, and he also set expectations with new employees that they would not have fixed 9-to-5 type schedules.

Table 2 shows barriers to successful workforce management that managers like the one we interviewed face every day, and methods they and their companies use to overcome them. It is important to note that many users took advantage of their vendor's professional services arm or engaged an outside consultant to help with these challenges.

**Table 2: Barriers to successful workforce management**

Barrier	Suggestion
Using quality monitoring as a governance tool—tracking every quick personal call, using statistics to catch agents rather than help them do a better job. It breeds mistrust, increases stress, and leads to turnover.	During the initial rollout, make expectations clear to everyone involved. Vendors like Witness Systems offer a workshop to help companies get agents ready for the change.
Overriding the scheduler's suggestions in favor of static start and break times for agents because of fear of attrition.	If your employment plan can't be made more flexible, set constraints that allow the system flexibility to schedule agents to start shifts anytime during a two hour window. This method optimizes the schedule much more and it does not force agents to work wildly different shifts each day.
Using auto-suggest templates to script e-mails ahead of time. This doubles the amount of time it takes to send them out, because the agents cut, paste, and rearrange to reflect their own writing styles before approving the messages.	Get experienced agents involved in the scripting process so they feel they have more ownership over the suggested answers.
Determining which interactions to record and when to record them.	Record everything using a highly scalable, analytics-driven system like Eyretel to make the most out of every interaction, or use a consultant to help define business rules to get the best use out of the tool.
Getting agents to buy into the system.	Before training begins, have a session with agents to explain the benefits of the system. Some vendors also offer a workshop to address the cultural issues involved with having a successful implementation.
Analytics tools from the major quality monitoring vendors are not yet mature enough to include predictive capability.	Manually aggregate reports from the workforce management systems, queue, and CRM systems to identify trends to be used in setting business rules that determine recording.

Source: AMR Research, 2001

## Workforce management can be a quick win in your contact center with impressive Return on Investment (ROI)

When users considered technology projects to improve the performance of the contact center, they most often saw workforce management as the third most important piece of the puzzle, giving priority to interaction management and customer management technologies. But while workforce management is not as crucial as the other two pieces, it is often the least expensive of the three and a great choice for companies looking for a quick win.

- Pricing for most modules is determined by license and named user.
- Deals under \$100K are not unheard of, depending on the size of the contact center, the amount of integration between systems, and the modules chosen. Almost all the companies we interviewed rolled out the software in one center first, adding seats in additional locations later.

Compared to other workforce management modules, scheduling applications deliver the fastest, most quantifiable Return on Investment (ROI). The benefits of quality monitoring are more difficult to measure. Most companies using quality monitoring software have not done formal ROI studies, but they link the software to the following:

- Perceived increases in service levels
- Decreases in time spent coaching agents
- Decreases in order entry mistakes
- The knowledge gained from monitoring specifically chosen interactions rather than calls chosen at random.

Scheduling/forecasting users are also able to quantify their benefits:

- Managers at one company, who spent 80% of their time on scheduling before the implementation, reduced the

commitment to only 20% of their time after implementing the software.

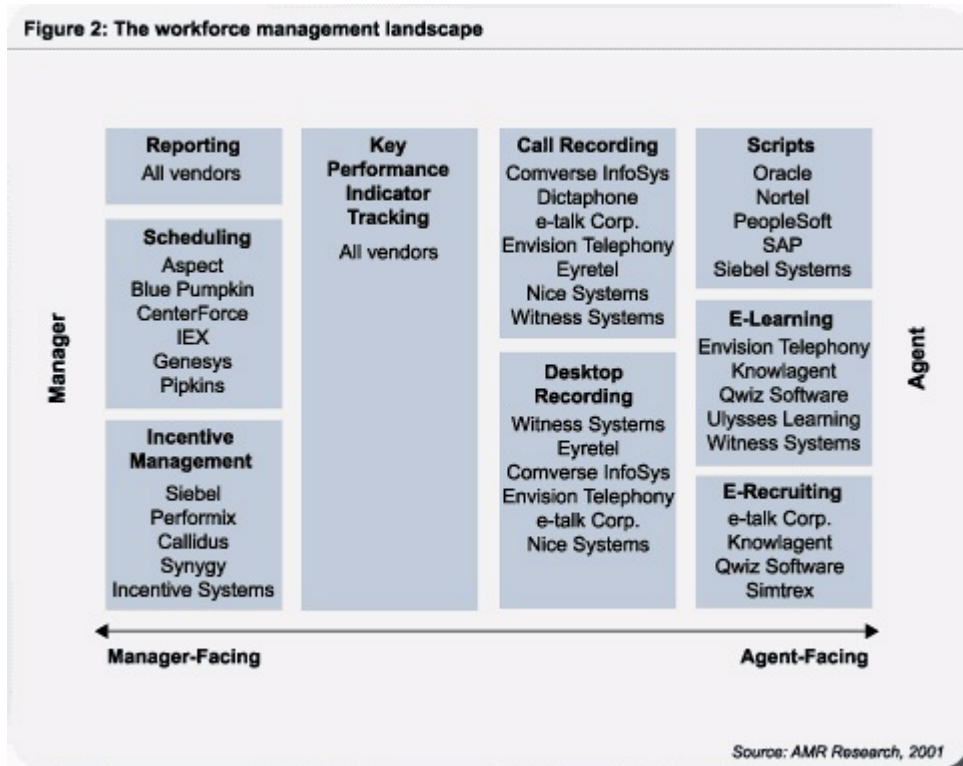
- Another company was able to increase service levels by 9% while at the same time decreasing head count.
- A third company saw a significant drop in call abandonment by implementing scheduling optimization software.
- A fourth company implemented the software and devoted the same amount of time to scheduling while doubling the contact center staff.

### No single vendor can handle all nine management challenges

While the markets for interaction management services and contact center software are quite large, the workforce management market is still comparatively small. Some workforce management functionality is available from suite CRM and call center vendors, but the largest niche workforce management vendor is **Witness Systems**, with \$44M in revenue for 2000.

If a company wants to purchase software to address all nine workforce management issues, it has to buy from no less than four vendors. Specialty vendors are hot today, but CRM suite players are starting to get active in workforce management. **Siebel Systems** is expanding into the market with its new Employee Relationship Management (ERM) portal, which aggregates information for employees from human resources and other systems. Expect Siebel and other CRM vendors to eventually add more pieces of workforce management, especially scheduling, to their suites.

Users' success depends upon the vendor's experience in the contact center market. When choosing a vendor, a good place to start is with one that has domain expertise in the contact center--a vendor that designed its product for the contact center's unique needs rather than retrofitting existing functionality from outside the contact center market. Early leaders that fit this description include Witness Systems in quality monitoring, **Aspect Communications** and **Blue Pumpkin** in scheduling, and **Knowlagent** in e-learning. Figure 2 shows the leading workforce management vendors.



### Recommendations

Every user we spoke with reported substantial benefits from their workforce management investments, but systems should be selected and deployed after considering the following:

- A rule of thumb is that if you have more than 60 agents, some form of workforce management investment would

benefit your contact center. Overall, users with at least this many agents have been very pleased with their investments.

- When budget constraints allow room for only one workforce management investment, choose scheduling software first if your mix of skills, business hours, and time zones is complex. Buy quality monitoring first if you are managing hundreds or thousands of agents with little diversity in skillsets.
- Consider the fact that CRM suite vendors are starting to show interest in scheduling and forecasting applications. You may be able to get scheduling from your CRM vendor in the near future.
- To help you through the cultural issues involved in a workforce management implementation, take advantage of advice available from your vendor's professional services group or a system integrator with domain knowledge.