

Top 5 Misconceptions

for Improving Call Center FCR & Csat!

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Introduction

Many call centers believe that their operating practices they have put in place to improve their first call resolution (FCR) and customer satisfaction (Csat) performance are best practices. However, through our research we have discovered that there are many misconceptions about what call center managers view as best practices for improving their call center FCR and Csat performance.

SQM's opinion of the top 5 misconceptions is based on years of experience working with hundreds of senior call center managers and conducting call center FCR and Csat benchmarking studies for over 14 years. Based on that experience, we have discovered that the top 5 misconceptions are often call center managers opinion of best practices for improving call center FCR and Csat performance or generating new business.

This article describes the top 5 misconceptions for improving call center FCR and Csat performance that we have observed in the call center industry.

Misconception #1: Satisfied customers will recommend your organization to others

Customers who are very satisfied (top box response) will tell an average of one person and of those very satisfied customers, 59% will tell no one. The message here is that when the call center does everything they are supposed to do, only one person is told. The fact that 59% of very satisfied customers will tell no one is the underlying reason why it is difficult for call centers to help the organization generate new customers. Also, the fact that a very dissatisfied customer will tell 5 people is the basis of SQM's message that the call center's purpose should be about protecting existing customers from leaving the organization versus trying to have existing customers recommend the organization to others. Especially considering that, for most customers, their call center experience consists of a four to six minute call that takes place only one to two times a year. Under those conditions it is very difficult for the call center to contribute to attracting new customers to the organization.

Misconception #2: Call centers need to strive to delight or wow customers

SQM's research shows that 32% of customers do not get their call resolved on the first call. So in practical terms, trying to delight or wow customers when a third of your customers do not have their call resolved is not a best practice and is expensive. *The goal should be to have 80% or better of your customers achieve FCR versus striving to delight or wow customers.*

The major benefit of focusing on FCR is that for every 1% improvement in FCR you have a 1% improvement in call center overall Csats. In addition, by improving FCR you will also lower your call center's operating cost. It is very difficult to wow or delight customers, and in striving to do so, the cost can be huge. Many SQM clients have tried to differentiate their call center customer service to their high value customers by trying to delight or wow them and most have failed in this effort. Many of those same clients have invested millions of dollars on people, process and technology practices, only to see little to no improvement in FCR and Csats performance.

Misconception #3: Service level of 80/20 is key to providing Csats

SQM has benchmarked many call centers that have 80/20 (industry standard) service level performance. However, many of these call centers are in the fourth quartile (lowest performing) for FCR and Csats. Also, SQM has seen FCR and Csats performance go up and service level performance go down in some call centers. Call center management has been conditioned to assume that if service level goes down, FCR and Csats must also be going down, too. Interestingly, when service level performance is lower than normal, call center management rush to fix it. Yet in those same call centers if FCR or Csats performance is lower than normal, there is seldom a rush to fix it. Furthermore, for most industries or call types, there is no difference in overall Csats whether a CSR is reached within 20 seconds or two minutes.

The bottom line is that the 80/20 service level standard is not a necessary practice to achieve world class customer service. SQM has many clients that have 80/60 or 80/90 service level standards and are either first quartile or world class Csats performers.

Misconception #4: Longer AHT will improve Csats

Many call center supervisors and CSRs believe that if they were allowed to increase call length (better known as AHT), they would improve their call resolution and Csats performance. SQM's research shows that customers feel the opposite, and actually want the CSRs to decrease the call length. As shown in Figure 1, SQM has found that there is no correlation between longer AHT and FCR or Csats. CSRs were put into quartiles based on their AHT performance. CSRs who had the lowest AHT were put into the first quartile and the CSRs with the highest AHT were put into the fourth quartile. To normalize the data, CSRs who handle the same types of calls were used. Furthermore, SQM's research shows that the call center industry, as a whole, has a huge opportunity to lower AHT, which if handled correctly, benefits both the organization and the customer.

Figure 1: AHT impact on FCR and Csat

AHT	FCR	Csat
AHT Quartile 1		
200 Seconds or Less	64%	65%
AHT Quartile 2		
201-250 Seconds	65%	64%
AHT Quartile 3		
251-300 Seconds	66%	67%
AHT Quartile 4		
301 Seconds or More	65%	65%

Misconception #5: Call monitoring improves Csat

Most call center supervisors use call monitoring as their primary tool to evaluate call quality and to coach CSRs on providing call quality. Also, most call center supervisors believe call monitoring is helping them achieve or improve FCR and Csat performance. However, SQM's research shows there is very little correlation between call monitoring ratings and Csat or FCR ratings. Specifically, our study shows that only 22% of CSRs call monitoring ratings had a positive impact on Csat ratings and only 19% had a positive impact on FCR ratings.

Based on years of studying call monitoring, SQM has concluded that call centers do an effective job using call monitoring to evaluate call quality from an organizational perspective (e.g., adherence to policies, accuracy). However, call centers are not effective at evaluating call quality from a customer perspective (i.e., Understand Me, Help Me, Care About Me, Resolve Me) primarily because QA evaluators can never accurately assess the customer's call center experience.

About SQM

Since 1996, Service Quality Measurement (SQM) group has been a leading North American contact channel Voice of the Customer (VoC) research firm expert for improving organizations' first contact resolution (FCR), operating costs, employee and customer satisfaction. We have done this by being operationally excellent at benchmarking, tracking, consulting and recognizing our clients' first contact resolution (FCR), employee (Esat) and customer (Csat) satisfaction performance. Over 70% of our call center tracking clients improve their FCR and operating costs year over year. For the average call center SQM benchmarks, a 1% improvement in their FCR performance equals \$256,000 in annual operational savings. Our research also shows that when you improve your FCR, not only do you achieve operational savings, you also reduce customers at risk which is typically a 5-10 times greater savings opportunity than the operational FCR improvement savings.

SQM benchmarks over 450 leading international call centers on an annual basis and has been conducting FCR Csats benchmarking studies since 1996.

On an annual basis, SQM also conducts over 25,000 surveys yearly with employees who work in call centers. Our customer and employee call center survey database is one of the largest in North America. SQM does business in 11 countries around the globe: Canada, United States, Argentina, Australia, Puerto Rico, India, Philippines, Costa Rica, Mexico, Dominican Republic and Jamaica.

SQM also benchmarks and tracks all the major contact channels (i.e., website, call center, IVR, email and site). Our site contact channels include branch, retail store, dispatching and service work. By conducting benchmarking and tracking studies on these contact channels, organizations can get insights into customers' experiences using these contact channels individually or using multiple contact channels, to get their inquiry resolved. For all the contact channel benchmarking and tracking studies, SQM focuses on the customer's experience in achieving first contact resolution. SQM conducts over 1 million surveys (over 450,000 live surveys and over 550,000 IVR surveys) with customers who have used a call center, email, website, IVR or site contact channel service.

SQM's Awards Program is the most prestigious and sought after North American contact channel FCR awards program. Our awards are based on customers who have used a contact channel and employees who work in a call center. These awards are considered to be the fairest and most credible service quality awards for measuring the customer's experience when using a contact channel because they are based on FCR performance. We have recognized top performing organizations for FCR, Csats and Esats since 1998. SQM evaluates leading North American organizations such as American Express, UPS, FedEx, Marriott, Sears, Canadian Tire, U.S. Bank, Wells Fargo, Rogers, Capital One, CitiFinancial, Scotiabank, Discovercard and Blue Cross.

SQM's Certification Program is designed to determine if call centers, supervisors and customer service representatives are performing at the world class call FCR and customer satisfaction performance level. Our FCR and customer satisfaction certification program is the most credible and rewarding certification program in the call center industry because certification is based on your customers' experience calling your call center. Certification is based on surveying customers who have just recently called a call center.

SQM offers four different post-contact surveying methods (i.e., phone, IVR, online and SMS mobile). Our post-contact survey is based on proven survey questions that provide accurate results and clear insights on areas to improve. SQM conducts all phone surveys using our own dedicated workforce. All post-contact survey methods can be integrated into one common database. Our call list management system allows us to accurately deliver a survey quota at a customer representative level or any other survey quota level that is required. To ensure the quality of our survey data and feedback collection, SQM monitors 100% of our surveys. The accuracy of each survey method is individually tracked and must comply with our minimum error rate of less than 1%.

Our reporting is available in real time via our secure mySQM web portal or through your mobile phone. Customer representatives and supervisors have direct and secure access to their reports and coaching logs. Your analysts have full access to over 60 FCR Csats pre-formatted reports which can be easily exported. Furthermore, your analysts can sort and search the data for ad hoc reporting. Our reporting capabilities also allow the integration of Csats survey and call quality assurance evaluation data. Raw data is also available in real time.

We have two state-of-the-art research call centers located in Coeur D'Alene, Idaho and Vernon, British Columbia, to conduct professional customer surveys with customers who used a contact channel. SQM is recognized as a leading contact channel research firm VoC expert for analyzing FCR, Csats, and customer experience performance. Our research analyst professionals have strong mathematical academic backgrounds. They also understand contact channels and stay current with the best practices for capturing, analyzing and reporting VoC data and feedback. Specifically, SQM research analysts use VoC metrics such as FCR, Csats and the Customer Protection - CP SCORE™ to truly understand how your contact channel impacts the customer service experience, operating costs and the ability of your contact channel to retain customers.

Call Center Outsourcing Service. SQM offers the capability of handling inbound call center outsourcing service to help organizations in providing a world class first call resolution and customer satisfaction performance. SQM's call center expertise with inbound call center solutions drives world class customer service results. By leveraging SQM's extensive call center industry experience and leading edge technology, your organization will be investing in providing your customer's world class service through SQM's call center outsourcing service.