

Call Center Best Practices

Top 10 Best Practices for Improving FCR

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There is a significant difference between a world class and an average call center's first call resolution (FCR) performance. This difference represents an enormous FCR improvement opportunity for the call center industry, given that only 5% of the call centers SQM benchmarks are at the world class FCR performance level. Achieving a world class FCR performance level of 80% or higher typically results in an average of 1.2 calls needed to resolve a customer's inquiry or problem. The average call center FCR performance level is 67%, resulting in an average of 1.5 calls needed to resolve the customer's inquiry or problem.

Also, for the average call center SQM benchmarks, only 48% of total inbound call volume is 'one and done' call resolution. This means for the average call center 52% of total calls handled by CSRs are not resolved in one call. It is important to mention that the 'one and done' metric is different from the FCR and calls resolved metrics*. Interestingly, very few, if any, senior call center managers know their 'one and done' performance for their call center. On average, 70% of world class FCR call center inbound call volume is 'one and done' call resolution.

For the average call center SQM benchmarks, a 1% improvement in their FCR performance equals \$276,000 in annual operational savings. 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. Most importantly, by improving the call center's FCR performance, you also have a positive impact on Csat performance, operating cost, and the call center's ability to help retain customers for the organization.

Given these operational factors, we will briefly describe the Top 10 best practices for transforming your call center to a world class FCR call center.

1. **Management...** The senior vice president, managers at all levels and departments are committed to improving FCR performance by aligning all people, processes and technology practices towards improving FCR. In other words, all major activities they are responsible for are performed with the intent to improve their FCR performance. It is very important that frontline views management, at all levels and departments, as customer-centric and that all employees truly know what it means to be customer-centric. Management should convey to all employees that the call center's main purpose is to retain customers by resolving their call on the first call.
 2. **ROI Awareness...** All employees are aware of the business case to improve FCR performance. For the average call center that SQM benchmarks, a 1% improvement in FCR performance equals \$276,000 in operational savings. However, the real cost for not resolving a customer's
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call on the first call is the customer stops doing business with the organization as a result of their call center experience. This real cost is 5 to 10 times higher than the operational savings from improving FCR. The typical call center that we benchmark has 44,000 customers who stop doing business with the organization as a result of their call center experience.

3. **Goals and Accountability...** All employees are accountable for achieving voice of customer (VOC) metrics such as FCR and customer satisfaction (Csat). It has been SQM's experience that call centers with a bonus program which uses VOC metrics as the main component for bonus payout, can help improve the call center's FCR performance by as much as 12%. This improvement can take place in 30 days or less. Aligning bonus and recognition practices to your VOC metrics performance is the very best practice for quickly improving your FCR performance. The typical stretch goal for frontline and management is 3% to 5% higher than their current VOC performance. There are 5 VOC metrics that world class call centers typically use to create accountability and recognition at both the CSR and management levels. All 5 are excellent metrics for determining bonus payout:

- Overall Csat with the call center
- Overall Csat with the CSR
- Customer's call was resolved
- World class call (combination of all the above metrics)
- First call resolution

Note: FCR metric is not used at the CSR level for bonus purposes because the CSR cannot be held accountable for FCR performance.

4. **Customer and Employee Surveying...** Call center conducts post-call 3 minute customer surveys and uses the feedback for retaining customers, reducing repeat calls and creating accountability at all levels for VOC metrics. The best practice is to conduct at least 5 surveys per CSR per month. Also, the call center conducts daily FCR voice of the employee (VOE) 3 minute surveys to determine if CSRs feel that all levels of management are focused on delivering FCR consistently. CSRs should be surveyed at least 2 times annually on whether or not management is focused on improving FCR performance.
 5. **Improvement Process...** Call center uses a PDCA improvement process cycle (i.e., Plan, Do, Check, Act) also known as the Deming cycle for reducing repeat calls. SQM's version of the PDCA Cycle for improving FCR and Csat performance consists of: Plan – identify unresolved call types and repeat call reasons to analyze and improve; Do – develop a solution and implement a test pilot to improve specific unresolved call type
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performance; Check – check to see whether or not the test pilot was successful; Act – implement a standardized improvement plan for improving unresolved call type performance.

6. **Customer Quality Assurance...** The customer quality assurance (CQA) evaluation is a revolutionary process that, for the same call, the CQA evaluator uses both customer survey information and call compliance information to assess call quality. In a CQA evaluation form, a CSR would see and hear customer survey ratings, customer feedback recordings, the full call recording and screen capture. SQM has found that CQA is one of the best practices for improving FCR and Csat performance. The few call centers that have implemented CQA as a business practice for monitoring their calls, have experienced higher FCR and Csat performance. If properly implemented, a call center can expect an FCR and Csat increase of at least 5%. Very few other initiatives that SQM has experienced have provided these types of FCR and Csat performance improvement increases.
 7. **Selecting CSRs...** New CSRs are hired based on having the necessary traits needed to provide consistent World Class Service. The following is the four-step world class CSR selection process: 1. Pre-Interview Selection – review CSR candidate’s resume and use an IVR to interview the candidate in order to determine whether or not the CSR candidate should go through further selection steps; 2. Personality Test – use a personality test to determine if the CSR candidate has customer-centric traits; 3. Job Simulation – CSR candidate gains understanding of the job fit for them; the organization gains understanding of whether or not the CSR candidate is a good fit for the job and would provide great service; 4. Face-to-Face Interview – final opportunity to determine whether or not the CSR candidate is a good fit for the job. The interview is the most important step and it is critical that the questions asked are designed to determine the ability of the candidate to provide world class customer service.
 8. **Escalation CSRs...** The effective handling of escalated calls and good service recovery are, for many call centers, the very best opportunity to demonstrate to customers that they want to resolve their call. It is also a good opportunity to show the customer that the organization really cares about their concerns. Based on the fact that escalation CSRs are, in many cases, the last resort for a customer to get their call resolved, it is essential that the call center’s escalation practices achieve high levels of call resolution. It is critical that CSRs are given unfettered access to a support queue of trained escalation CSRs when they need help to resolve a customer’s call. The staffing of the escalation queue should be at a minimum of 1 escalation CSR for every 15 CSRs. The escalation CSR is in addition to the supervisor. Escalation CSRs should be located in a central area so that learnings and trends are consolidated and queuing is
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better managed. Escalation CSR performance should be measured by customer survey feedback of those customers where the CSR was assisted by the escalation CSR or where the call was transferred to the escalation CSR. Escalation CSR performance measurement should include an internal employee satisfaction measure based on the feedback from CSRs that have used the escalation queue to help resolve a customer's call.

9. **Concierge Service...** CSRs assist customers that need to call or contact other departments or organizations for a reference code, more information, authorization, etc. in order to resolve the customer's call. Specifically, the concierge CSR tells the customer that they will call the necessary department or organization either on their behalf or with them on the line, to get the necessary reference code, information, authorization, etc. In most cases, the concierge CSR calls the other department or organization while the customer is also on the phone and a three-way conversation takes place. To the customer, concierge service feels like the organization has taken complete ownership to resolve their inquiry or problem. Also, the call center concierge service creates high levels of FCR and Csat performance because the customer does not have to call or contact third parties, doctor's office, head office, banks, retail stores, etc. Although the call will take longer, when compared to the more common scenario of a customer's issue taking 2 calls to resolve, the additional time spent on the call can be justified. The reason for this is that in many cases the second call is eliminated and therefore the customer is more satisfied because the call was resolved in one call.

 10. **CSR Bonus...** CSRs bonus is based entirely on their VOC metrics such as customer satisfaction and call resolution performance. AHT, QA, productivity, schedule adherence and sales should not be included in the bonus payout. These internal operational metrics can be used as qualifiers for the bonus for those CSRs who are eligible for a VOC bonus payout. 75% to 95% of CSRs should be able to achieve the operational qualifiers in order to be eligible for the bonus payout. It is important to have the vast majority of your CSRs to be eligible for the bonus program. If you make the qualifiers too difficult to achieve, it will have a negative impact on your VOC bonus program. The typical call center bonus payout is approximately \$2,000 per CSR, paid out in quarterly installments with a high concentration (50% to 85%) of CSRs receiving the \$2,000 bonus. Another best practice is to continue to use quarterly payout installments, but to have the CSR bonus payout distribution weighted towards the higher performing CSRs:
 - World class performers (20%) = \$4,000
 - High-level performers (40%) = \$2,000
 - Average performers (30%) = \$1,000
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- Lowest performers (10%) = \$0

The percentage distributions are for a typical call center and equate to an average of \$1,900 in bonus payout per CSR.

*** Call Resolution Family Metrics Definition:**

Calls resolved metric is generally reported out as the percentage of customers who called into the call center and had their call resolved. In some cases, customers had their **call resolved** in one call and in other cases, it may have taken two or more calls to resolve their call. For example, if 1,100,739 customers had their original call resolved and there were 1,294,987 customers who called a call center in a given year, SQM would consider their call center to be performing at the 85% calls resolved performance level.

Calls resolved metric calculation example: # of customers whose original call was resolved (1,100,739) ÷ by the # of customers who called (1,294,987) = 85%

FCR metric is generally reported out as the percentage of customers who called into the call center and had their call resolved on the **first call**. For example, if 869,854 customers had their original call resolved on their first call and there were 1,294,987 customers who called a call center in a given year, SQM would consider their call center to be performing at the 67% FCR performance level.

FCR metric calculation example:

of customers who experienced FCR (869,854) ÷ by the # of customers who called (1,294,987) = 67%

'One and done' metric is generally reported out as the percentage of all calls made to the call center that needed only one call to resolve. For example, if 869,584 calls were resolved in one call and the call center handled 1,869,314 calls annually, SQM would consider their call center to be performing at the 47% 'one and done' performance level.

'One and done' metric calculation example:

of calls that were resolved in one call (869,584) ÷ by the # of total calls (1,869,314) = 47%

About SQM Group

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 Csat 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, Csat and Esat 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 Csat 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 Csat 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, Csat, 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, Csat 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.
