

Call Center Industry Operational Benchmarking Data and the Impact on FCR

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OPERATIONAL BENCHMARKING DATA RESEARCH STUDY PURPOSE

In 2021, SQM conducted a call center industry operational benchmarking data research study. **The research purpose was to examine the impact that operational data has on the First Call Resolution (FCR) rate and improvement opportunities.** SQM Group captured operational benchmarking data (e.g., call center stats, human resources, call escalation, and quality assurance) for over 300 leading North American call centers.

OPERATIONAL BENCHMARKING DATA RESEARCH METHODOLOGY

- Call center management completed the call center operational questionnaire
- Questionnaire is based on 5 leverage areas (Call Center Stats, Human Resources, Call Escalation, Quality Assurance, and Call Handling)
- Questionnaire takes approximately 60 minutes to complete
- Questionnaire captures call center operational metric areas (e.g., service levels, abandon rates, call volume, labor cost, calls handled, etc.)

Note: Dollar values are reported out in U.S. currency



CALL CENTER STATISTICS

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CALL CENTER STATS

	Average Call Center
Section 1: Call Center Stats	
Cost per Call*	\$8.60
Cost per Call Resolution**	\$12.04
A. Operational Costs:	
1. Average revenue per customer	\$2,133
2. Annual call center budget for this year	\$21,341,949
3. Total annual labor cost	\$13,469,946
4. Total annual overhead cost	\$5,334,778
5. Total annual capital and IT cost	\$1,771,321
6. Total annual telecom costs	\$765,904
B. Operational Numbers:	
1. Number of call center locations	3
2. Average number of calls agent handles per day	46
3. Total number of organizational customers	3,743,473
4. Average number of distinct customers who contact the call center	1,545,285
5. Average number of times customers contact the call center per year	2
6. Percentage of customers who contacted the call center last year	41%
7. Average number of years customer uses your products/services	7

Note:

***Cost per Call:** Total fully loaded annual labor costs (e.g., agents, supervisors, management, and support staff) and 37% General Administrative costs ÷ by yearly inbound and outbound calls.

****Cost per Call Resolution:** Cost per Call x Average Calls to Resolve (\$8.60 x 1.40 = \$12.04)

CALL CENTER STATS

		Average Call Center
Section 1: Call Center Stats		
C. Operational Numbers:		
Agent Handled Annual Contact Channel Volume:		
1.	Annual inbound phone contacts	1,937,514
2.	Annual outbound by phone	549,821
3.	Annual inbound FAX/mail contacts	19,637
4.	Annual inbound email contacts	69,062
5.	Annual number of inbound contacts handled by online chat	19,691
6.	Annual number of inbound contacts handled by social media	546
Self-Service Annual Contact Channel Volume:		
7.	Annual inbound IVR contacts (no agent involvement)	1,363,342
8.	Annual inbound contacts authenticated and handled by website	5,268,115
D. Contact Channels Managed or Shared Ownership by the Contact Center:		
	Phone	100%
	IVR (no agent involvement)	56%
	Fax / mail	67%
	Email	100%
	Website	61%
	Mobile app	17%
	Online chat	28%
	SMS text message	6%
	Social media	33%

CALL CENTER STATS

Section 1: Call Center Stats		Average Call Center
E. Operational Statistics:		
1.	Service level (% calls/30 seconds)	66/30
2.	Average speed of answer	75 seconds
3.	Average talk time	341 seconds
4.	Average after-call work time (wrap-up time)	83 seconds
	Average total handle time (talk time + wrap-up time)	424 seconds
5.	Average time before abandoning	156 seconds
6.	Average hold time while on the phone with the agent	54 seconds
7.	Abandonment rate percentage	6%
8.	Percentage of calls placed on hold	27%
9.	Percentage of calls transferred	12%
10.	Average agent percentage attendance	89%
11.	Average agent occupancy percentage	79%
12.	Percentage of calls pending	9%
13.	Percentage of First Call Resolution (Internal FCR Method)	82%
14.	Percentage of calls that were authenticated	94%
15.	Percentage of agents handling contacts from multiple channels	55%
16.	Percentage of agents who work from home Prior to Covid Pandemic	41%
17.	Percentage of agents who work from home During to Covid Pandemic	82%

CALL CENTER STATS

		Average Call Center
Section 1: Call Center Stats		
F. Outsourced Operational Statistics:		
1.	Number of call center locations (outsourced)	2
2.	Percent of calls handled in-house	90%
	Percent of calls handled by outsourcer	10%
G. Outsourced Contact Types:		
	Set percentage of daily volume	36%
	After hours/weekend	64%
	Peak season	45%
	Unexpected spikes	36%
	Basic request	64%
	Foreign language	36%
	E-support (email, chat)	18%
	Special promotions	36%



HUMAN RESOURCES

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HUMAN RESOURCES

		Average Call Center
Section 2: Human Resources Practices		
A. Labor Headcount:		
1.	Number of agents (FTE)	239
2.	Number of supervisors	15
	Ratio of agents to supervisors	16:1
3.	Number of managers	5
4.	Number of support staff	18
	Ratio of agents to support staff	13:1
5.	Number of call escalation agents (FTE)	13
	Ratio of agents to call escalation agents	18:1
6.	Number of QA evaluators	6
7.	Number of trainers	4
8.	Agent average length of service in months	42
9.	Supervisor average length of service in months	71
10.	QA average length of service in months	84
11.	Average number of training days for existing agents	9
12.	Average number of classroom training days for new agents	25
13.	Average number of computer-based training days for a new agent	12
14.	Average number of on-the-job training days (taking calls) for new agent	10
15.	Percentage of agents who are full time	91%
	Percentage of agents who are part time	9%
16.	Percentage of agents with a university degree	33%

HUMAN RESOURCES

		Average Call Center
Section 2: Human Resources Practices		
B. Labor Turnover:		
1.	Percentage of supervisors recruited among the agents	54%
2.	Agent new hire turnover	15%
3.	Total agent annual turnover	26%
4.	Agent annual internal turnover	38%
	Agent annual external turnover	62%
5.	Percentage of agents who left in the last year	20%
C. Labor Costs:		
1.	Cost of a new agent	\$7,563
2.	Average starting annual salary (including benefits) for agents	\$43,933
3.	Average agent annual salary (including benefits)	\$51,017
4.	Average annual bonus pay per agent	\$2,267
5.	Average annual recognition dollars spent per agent	\$289
6.	Average annual salary (including benefits) for supervisors	\$77,553
7.	Average annual bonus pay per supervisor	\$4,970
8.	Average annual salary (including benefits) for QA evaluators	\$57,594
9.	Average annual bonus pay per QA evaluator	\$2,748
10.	Average annual salary (including benefits) for call escalation agents	\$59,214
11.	Average annual bonus pay for call escalation agent	\$2,985

HUMAN RESOURCES

	Average Call Center
Section 2: Human Resources Practices	
D. Agent Rewards / Recognition:	
Awards/Certificates	89%
Public Recognition	89%
Contest	83%
Gifts / Merchandise	80%
Gift Certificates	77%
Job promotion	71%
Additional training	54%
Notes / Cards	54%
Meeting Senior Management	51%
Paid time off	49%
Cash	37%
Other	9%

CALL ESCALATION

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CALL ESCALATION

	Average Call Center
Section 3: Call Escalation Practices	
A. Number of call escalation agent tiers:	
Number of call escalation tiers	2
B. Primary Responsibility for Handling Escalated Calls:	
Agents who are dedicated to handling escalated calls	46%
Supervisors	38%
Agents who are subject matter experts	17%
C. Available for Real Time Support:	
Supervisor	90%
Internal helpdesk	71%
Subject matter experts	77%
Online products & policy information	87%
Another agent	42%
D. Real Time Support Used Most Frequently:	
Online products & policy information	38%
Internal helpdesk	38%
Another agent	13%
Subject matter experts	8%
Supervisor	4%

A background image of a call center with several agents wearing headsets and working at computers. The entire image is overlaid with a semi-transparent blue filter. A white rectangular box is centered on the page, containing the title text.

QUALITY ASSURANCE PRACTICES



CALL QUALITY ASSURANCE

	Average Call Center
Section 4: Quality Assurance Practices	
A. Coaching Sessions per Month:	
Agent coaching sessions	3
B. QA Evaluations per Month:	
Agent QA evaluations per month	6
C. Calls Assessed per Day:	
Calls assessed per day per QA evaluator	12
D. Number of Training Days for New QA Evaluator:	
New-hire QA evaluator training days	24
E. Percentage of Calls Recorded:	
% of calls recorded	95%

CALL QUALITY ASSURANCE

		Average Call Center
Section 4: Quality Assurance Practices		
F. Primary Evaluator:		
QA team		59%
Direct supervisor		41%
Agent peer		0%
Outsourced		0%
G. Primary Coach:		
Direct supervisor		87%
QA team		13%
Agent peer		0%
Other		0%
H. Call Monitoring Method:		
Call recording		88%
Side-by-side		79%
Audio & screen		67%
Not using		0%

A blue-tinted photograph of a call center agent wearing a headset, smiling and talking on a phone. The agent is in the foreground, and other agents are visible in the background.

CALL HANDLING PRACTICES



CALL HANDLING PRACTICES

	Average Call Center			
	Always	Sometimes	Seldom	Never
Section 5: Call Handling Practices				
I. Call Handling Practices:				
Are customers warm transferred to the appropriate agent?	48%	44%	7%	0%
Do agents ask customers at the end of the call if their call was resolved?	41%	33%	19%	7%
Do agents summarize the call (what they did or are going to do)?	41%	56%	4%	0%
Do agents provide concierge service when they should?	8%	46%	8%	38%
Do agents place outbound calls when they should?	15%	74%	7%	4%
Do agents use a live hold technique (mute hold is not used)?	19%	52%	22%	7%
Do agents use their authority level to resolve customer calls?	41%	52%	7%	0%

CALL HANDLING PRACTICES

	Average Call Center
Section 5: Call Handling Practices	
J. Agent Desktop Applications Available:	
Customer relationship management	69%
QA results	50%
Csat and call resolution results	46%
Training	77%
Work schedule	77%
Knowledge management tool	92%
Email	100%
Internet access	100%
Chat and/or call me	77%
Fulfillment status updates	15%
History of transactions across all channels	23%

TOP 12 OPERATIONAL BENCHMARKING DATA IMPACT ON FCR FINDINGS





1. An Increase in Work from Home Agents has Not Negatively Impacted FCR

In 2020 (Before Covid), the percentage of Agents working from home was 41%. During the Covid Pandemic (2021), the proportion of work-from-home Agents is over 80%. For the over 500 North American call centers we benchmarked, their FCR rate in 2020 was 72%, and in 2021, it was also 72%. Put differently, even though Agents working from home doubled, it did not negatively impact FCR.

The big insight from this finding is that it does not matter where an Agent is located (i.e., home or call center). What matters more is who the Agent is, training, coaching, technical support, call handling practices, performance management, technology, and recognition.



2. Cost Per Call Resolution a More Accurate Cost Metric

The operational data revealed that the cost per call for the average call center was \$8.60 and was similar for a world-class First Call Resolution (i.e., 80% FCR rate or higher) call center. Another way to examine cost per call is to include how many calls are used to resolve inquiries or problems (i.e., cost per call average - \$8.60 x the average number of calls to resolve – 1.4). The cost per call resolution for the average call centers is \$12.04. For world-class FCR call centers, their cost per call resolution is 20% lower than the average call center.

The main reason why cost per call resolution is lower for world-class FCR call centers is fewer customers have to call back to get their inquiry or problem resolved. The cost per call resolution metric factors all calls required to resolve a customer inquiry or problem, which is an accurate indicator of cost for call handling for resolving an inquiry or problem. The cost per call resolution metric can help develop a business case for FCR improvement initiatives.

The cost per call resolution is a more accurate metric than using only the cost per call (CPC) metric. The CPC metric can lead to focusing on lowering AHT and not always using call handling best practices (e.g., warm transfer, summarizing the call, and concierge service). It is SQM's viewpoint that using call handling best practices can lead to lower cost per call resolution because customers are not having to call back to resolve the same inquiry or problem.



3. The Shift from Average Speed of Answer to FCR Focus

Many call centers use service level and average speed of answer (ASA) as the metric for defining customer service. While these metrics speak to speed, they do little to shed light on call resolution, customer satisfaction (Csat), or the number of calls a customer makes to resolve their inquiry. Although keeping track of these metrics remains important, it is not considered a best practice to focus on service level and ASA metrics as the key indicator of customer service. A best practice is to use First Call Resolution, not service-level metrics, to measure a call center's customer service performance.

Proper execution in shifting from a service-level focus to an FCR focus can be challenging for call centers with an ingrained culture of defining customer service success through service levels and ASA. For call centers to successfully transition from a service-level and ASA focus to an FCR focus, there needs to be a paradigm shift in thinking that FCR, not service levels, is the key to Csat. SQM research shows that ASA has no impact on Csat for the first 120 seconds of a call. In other words, if an Agent answers the call within 120 seconds, there is neither a positive nor a negative impact on Csat. What customers want is to have their call resolved and preferably on the first call. "Every 1% improvement in FCR, there is a 1% improvement in customer satisfaction." The First Call Resolution customer satisfaction connection is among one of the highest correlations of call center KPIs.



4. High Labor Costs and Call Complexity

The call center annual operating cost budget for participants in our operational data and practices study was 21 million dollars which is a modest increase from the previous year even though call volume has decreased. The key findings are that labor costs remain high at 63% of total operating cost. The average Agent's annual salary (including benefits) is \$51k.

The average number of calls Agents handle per day is 46, which is substantially lower than the average of 69 calls per day experienced five years ago. The lower number of calls handled by Agents per day is being driven down from increased call complexity because the easier calls are being handled by self-service contact channels such as the IVR and website.



5. Channel Volume Distribution and Second Channel Used

The first revealing finding is that of all the core contact channels (i.e., call center, web self-service, IVR self-service, email, and chat), the web self-service channel has the highest contact volume at 57%. The call center channel volume is second highest at 27%, and the IVR self-service channel volume is the third highest at 15%. Email and chat channels are less than 1%. 55% of Agents handle multiple contact channels. However, SQM research shows Agents that specialize in one channel tend to have higher FCR.

SQM's research showed in most cases, when a customer used another contact channel to resolve the same inquiry or problem, it resulted from the initial contact channel's failure and not because the customer wanted to use another channel. However, when a customer uses a second channel to resolve their inquiry or problem, the call center is by far the channel of choice. This is because the call center handles the complex inquiries and problems that the other contact channels cannot resolve. In addition, the pattern of using the same contact channel to resolve an inquiry is highest by far with the call center channel. Most customers who start in one contact channel do not like to channel hop to resolve the same inquiry or problem.

Given so many customers are using multiple contact channels to resolve the same inquiry or problem, it is worth measuring the entire customer experience (CX) journey to resolve their issue. At SQM, we use a metric called One Contact Resolution (OCR) to measure the entire CX journey which is based on customers resolving their inquiry or problem on the first contact using only one contact channel. The data reveals that OCR is 11% lower than FCR.



6. Call Length Impact on FCR

The average handle time (talk time + wrap-up time) is 424 seconds. SQM's experience is that less focus on AHT at the Agent level can help improve FCR. However, our data shows that Agents with the highest FCR have the lowest AHT among their peers in many cases.

SQM's call center industry research shows that the FCR rate is impacted by call length. Our research shows the FCR rate goes down the longer the call length. For example, the FCR rate for the 1 to 3-minute call length is 73% versus the more than 15-minute call length, where the FCR rate is 62%. Most call lengths are between 5 to 9 minutes for the call center industry. For those call lengths, the FCR rate is 69%.



7. Internal FCR Rate Much Higher than External FCR Rate

Our research shows that the internal FCR rate average is 82%, versus their external FCR rate average of 72%. Not receiving a repeat call in a given timeframe is an internal FCR measurement method that uses an organization's criteria for determining its FCR rate. An internal FCR rate can overstate the FCR rate by 10 to 20% higher than the external FCR measurement (e.g., post-call survey) FCR rate. An inflated FCR rate can discourage leaders from wanting to improve FCR.

FCR has its critics. There has been a lot of criticism that FCR is complex and difficult to measure. There is no industry standard for internal measurement of FCR, which hinders the accuracy and benchmarking of FCR against other call centers. However, for the external measurement of FCR, an industry standard is used and as a result, is more accurate for FCR benchmarking purposes.



8. Calls Pended for Resolution

Our research shows for incoming calls, 9% of them are pended for resolution. The majority of pended calls are 'claim call types.' SQM research shows that high pended calls percentage is a leading indicator for negatively impacting FCR performance.

Customers who have 'pending resolution,' 'open cases,' 'open trouble tickets,' or are calling within one to five days of their previous call should be flagged. Customers who have a call pended for resolution should be routed to a specialized Agent or the best Agents, who can provide appropriate status updates or resolve their call. These Agents should be empowered to make clear follow-up commitments to the customer to avoid the customer calling back for further status updates.



9. Long Agent Length of Service Can Negatively Impact FCR

Agent average length of service in months is 42 months. SQM research shows that call resolution and FCR are the highest levels for Agents in the one to four-year mark for length of service. The FCR rate starts to go down after the four-year mark for length of service. However, for our world-class call centers, Agents that have worked in the call center for more than four years have just as high or higher FCR rate than Agents with less than four years of service working in the call center.

World-class FCR performing call centers, in most cases, have high Agent satisfaction working in the call center. The leaders of world-class FCR performing call centers recognize that high Agent satisfaction equals high customer satisfaction and FCR.



10. Internal Agent Turnover Impact on FCR

Annual Agent turnover is 26%. The breakdown for external Agent turnover (leave the organization) is 62%, and internal (leave the call center) is 38%. When we examine why FCR has gone down for a call center, one of the areas we evaluate is how much Agent turnover has taken place. In many cases, Agent turnover can be the biggest reason why FCR has gone down.

Many call centers hire Agents to have them eventually work in other departments outside the call center. The percentage of Agents with a university degree is 33%, with many of them taking a call center job so they can work in another department within one year. Put differently, the call center is hiring Agents for the mothership (e.g., other departments within the organization outside of the call center). Most call center leaders are very proud to have their department be used as an Agent springboard to other departments. However, from a customer perspective, too much internal Agent turnover can have a negative FCR impact.



11. Traditional Quality Assurance has Little or No Positive Impact on FCR

Agents are evaluated on six calls per month assessed by a QA evaluator or their direct supervisor. Call recording, side-by-side, audio, and screen call monitoring methods are used in QA programs. SQM's research shows traditional QA programs have little or no impact on improving a call center's FCR rate.

Customer Quality Assurance (CQA) is a best practice for improving the impact of call monitoring on the call center's FCR rate as it allows the customer, not the organization, to determine whether FCR has taken place. The CQA program evaluates a call using both customer survey and call compliance metrics to assess call quality for the same call. By combining customer survey and call compliance metrics, the CQA evaluation provides a holistic view of quality assurance because it represents both the customer and the organization's perspective.



12. Essential Call Handling Practices Not Consistently Being Used

The operational data for agent call handling shows that the percentage of always doing warm transferring, asking the customer if they resolved their call, summarizing the call, providing concierge service, etc., is mediocre at best. SQM's research shows that approximately 40% of non-FCR the Agent was the source of error.

One of the quickest ways to improve FCR is to improve Agent call handling practices. Below are the Top 6 Call Handling Best Practices that have a proven track record of improving First Call Resolution:

1. Intelligent Skill-based Routing
2. The Shift from Average Speed of Answer to FCR Focus
3. Call Resolution Delivery Model
4. Concierge Service
5. Complaint Handling
6. Persona Communication Styles

HAVE ANY QUESTIONS?

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