The Four Metrics That Matter
Only one you can ignore…

Four Metrics That Matter—and One You Can Safely Ignore. ***By Frank A. Kovach***

Today's contact center managers have access to a broader array of sophisticated ACD metrics than ever before—but deciding how best to use them brings a host of unforseen challenges. If you've taken any kind of deep dive into call analytics yourself, you know firsthand that giving such complex data its due can easily become a full time job. Specifically, two challenges confront you:

- Which metrics to use and how to apply them to provide the most accurate picture of your contact center's effectiveness.
- How to ensure that your senior management thoroughly understands the metrics you use and can view them in the proper context when they measure your contact center's performance.

In short, how should you use metrics to win the battle without losing the war? The answer is what Advisors Plus calls "SMART" Metric Management.

"SMART" Metrics Combine Science and Art

At Advisors Plus we believe that contact center metrics are most valuable when they go beyond "averages" or "industry standards" to view data within the total context of the objectives that your credit union is trying to achieve.

It stands to reason that any contact center management that helps a credit union accomplish its overall objectives is smart management, and any metrics that help a contact center accomplish its mission are smart metrics, right? So why the capital letters?

Well, you won't find consultants who are more data-driven than Advisors Plus, but at the same time more committed to the philosophy that successful contact center management is both a Science and an Art.

- **The Science:** The “science” side of our practice emphasizes the metrics, and how they can be used to improve operations, pinpoint current or future issues and provide an overall scorecard on performance. Helping you understand which key metrics drive your contact center will provide you with both the insights to avoid problems and the levers to improve your contact center’s performance.
- **The Art:** The “art” of contact center optimization factors in the soft skills like employee engagement, day-to-day training, encouragement and guidance that are the keys to a well-run contact center. These aspects may be harder to measure but that doesn’t make them any less vital: Engaged employees are critical to having a contact center that is member-focused by striving to provide excellent service every day.

- **Science + Metrics + Art = SMART:** So combine the analytical mindset of Science with the data of Metrics and the soft skills of management as an ART and you have all the necessary ingredients to become a successful SMART contact center.

But even as a SMART contact center manager (armed with a memorable acronym, no less), the question remains: How do you measure the right metrics to obtain the right insights to make the right decisions?

Which Metrics Matter?

In our consulting practice at Advisors Plus, my team conducts Contact Center Reviews for many dozens of credit union clients each year and maintains a comprehensive database of over 150 data points from the credit unions we have worked with.

There’s no other industry resource like it and through such efforts, we have been able to evaluate five key metrics— 1) Abandon Rate, 2) Average Handle and 3) Talk Times, 4) Average Speed to Answer, and 5) Monthly Calls per Agent FTE based on much they help you do a SMART (Science + Art) job of managing your contact center. We asked the questions:

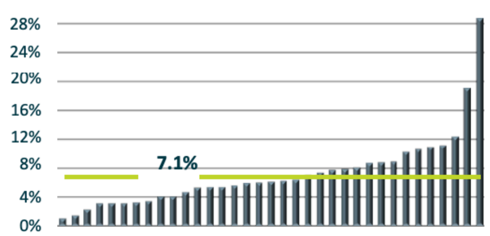
- For each metric, what does the science of the data tell you about how other credit unions are performing in absolute and relative terms?
- What value does each metric seem to hold for the art of management decision making?

We also think this approach is valuable because it puts all of the metrics on an equal footing and allows for an "apples to apples" comparison that highlights which metrics really matter and which just might be distracting you from your overall mission of providing great service.

1. **Abandon Rate**— Credit Union Average: 7.1%

Abandon rate is probably the most common yet least valuable metric used in contact centers today. It's almost universal use is mainly due to its ease of understanding. Most credit unions report on abandon rate and often it's the only reporting metric they use.

Figure 1
Abandon Rate



The issue arises because abandon rate alone provides little guidance to indicate whether a problem really exists and if so, how to fix it. That's because abandon rates are basically all or nothing grades. Abandon rates tell you whether your contact center passed or failed on any given day but not by how much, with whom or for what reasons.

In our consulting work at Advisors Plus, we much prefer establishing service levels based on sound Erlang calculations. Then, by using formula-based metrics, analyses can isolate specific intervals or situations that may be unduly influencing consistent service delivery.

2. & 3. **Average Handle & Talk Times**— Credit Union Averages: 4:19 & 3:42

Minutes The key productivity driver in any contact center is Handle Time and/or Talk Time. Handle time encompasses all components of the member interaction including actual talk and hold times, as well as after-call work (ACW). Within our reviews we see this metric vary widely depending on the functions performed in the contact center.

Figure 2
Handle Time Times

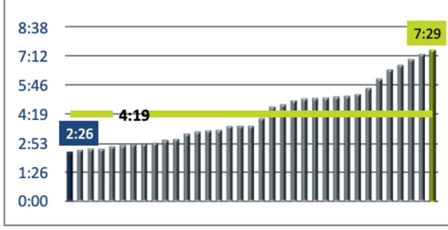
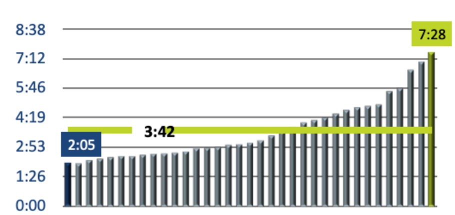


Figure 3
Talk Times



Approximately 60% of the credit unions we have visited have their contact centers performing some or all loan application functions.

- Most commonly agents only take the app, which is then directed to a centralized underwriting area.
- At credit unions where agents are responsible for the full app and doc workup, after-call work will extend handle times, sometimes taking longer than the actual call talk time.

Yet, while it would seem logical that centers taking loans would have much longer average talk times, we have found that not to be the case. On average, centers taking loans have average talk times that are only 20-30 seconds longer than those not taking loans. Because loan calls are only a small percentage of overall call volume, the longer calls blend into the overall totals and end up raising the average call times only minimally.

Effective managers will pay close attention to handle times to guide their departments toward attaining higher productivity levels. Managers need to pay special attention to after-call work, monitoring it closely and searching for ways to automate processes or reassign post-call duties to non-phone staff.

Goal setting can backfire, however. Managers need to take care in how they use handle time metrics to evaluate staff and set goals. When handle time goals are set at the agent level in such a way that agents are held accountable for maintaining specific times, that action almost always leads to unintended consequences—most of them negative.

That's because if you give your agents a handle time goal they will find a way to meet it. But be prepared to cringe when you realize the shortcuts they are taking to make that happen: speeding through calls, ignoring cross-sell opportunities and even hanging up on members in their zeal to make their time targets.

The preferred approach is for managers to have an overall baseline goal for handle times and use deviations from the norm to identify agents who may need added training or guidance in effectively answering calls.

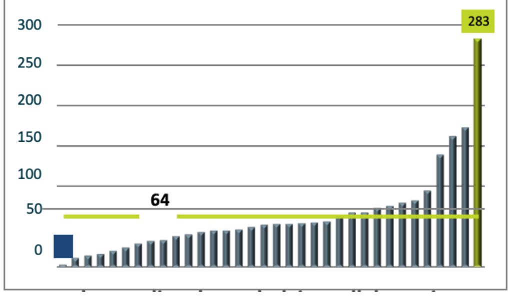
4. **Average Speed To Answer**—Credit Union Average: 64 Seconds

Another standard contact center metric, Average Speed to Answer (ASA) or Wait Time, provides managers with a quick reference regarding their contact center's operating status. Longer times or spikes will usually indicate heavy call loads, whereas short durations indicate a lull in call volume.

Averaging ASAs over a week or month will provide a fairly accurate picture of service delivery and for that reason, we prefer ASA over Abandon Rate as a more accurate baseline metric.

Handle times and ASAs usually run in corresponding patterns. Short handle times generally create quicker ASAs as

Figure 4
Average Speed to Answer



agents move rapidly from one call to the next. However, minimal ASAs can also point to overstaffing situations, so understanding the underlying call dynamics is a critical component to making comprehensive staffing decisions.

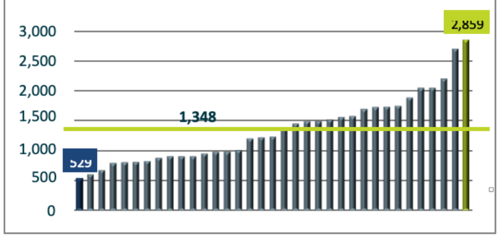
For example, much was made in the press last year about an article claiming that banks had quicker ASAs than credit unions—and by extension, that banks provided better service. Advisors Plus went on record objecting to the study's conclusions and we continue to believe that surveying this one metric in an unscientific manner and extrapolating it in such a broad way was ill informed and failed to take into account the many factors that can influence caller satisfaction.

5. **Monthly Calls Per Agent FTE** — Credit Union Average: 1,348 Calls

Similar to handle times, knowing how many calls, on average, your agents handle monthly helps in managing your contact center's overall performance. As Figure 5 shows, the contact centers we have reviewed have experienced a wide swing in this metric.

The main factor that influences these divergent call volumes is if, whether—and to what extent—a contact center's agents are involved in the loan process.

Figure 5
Calls per Agent FTE



Call productivity dramatically drops when agents are responsible not only for taking the app but also for processing documentation, scheduling closing appointments, etc.

Advisors Plus

Founded in 2004, PSCU's Advisors Plus offers consulting services for credit unions to help fuel growth and achieve financial and business goals. From project analysis to implementation and management, Advisors Plus offers an end-to-end portfolio of consulting services including business strategy, business and affinity cards, credit and debit cards, contact center optimization, risk and collections analysis, branch sales training, marketing services, and B2C campaign execution. Whether your credit union is looking to expand its offerings, build a legacy of community involvement, create the strongest possible capital footing—or all of the above—Advisors Plus consultants bring the strategic vision, deep industry expertise, and proprietary data analytics needed to help credit unions better serve their members and their communities. For more information, visit advisorsplus.com.