DMG CONSULTING LLC

Top KPIs for Managing Customer Service, Sales and Collections Contact Centers

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I. Introduction

Managing a contact center requires a combination of art and science, but it's the science that should drive the art. Contact centers of all sizes, whether staffed by 20 or 10,000 agents, need key performance indicators (KPIs) and metrics to effectively manage the operating environment. This white paper provides the top KPIs and metrics and explains how to use them to build an engaged workforce that delivers an outstanding customer experience, cost effectively.

II. Top KPI Categories

There are hundreds of KPIs available in most contact centers, as each operating system – automatic call distributor (ACD), dialer, interactive voice response (IVR), recording, workforce management, customer relationship management (CRM) and more – produce dashboards and reports. This means that every time a new or updated system or application is acquired for the contact center, it is important to carefully vet the dashboards and reports to make sure that they provide the data and KPIs needed to operate and manage the department. (It's also essential to train internal resources to set up and use the reports during the implementation process.) There are 8 primary categories of KPIs that should be used in a contact center to oversee all aspects of its performance. These are:

1. *Cost* – how much it costs to handle (resolve, sell, collect) each item. It is a best practice to calculate the cost of each category of items (by channel or inquiry/sales type) and the total weighted average or blended cost for each item.

2. *Productivity* – the volume of work offered and handled. It also measures the time it takes to complete each type of work item.

3. *Quality* – how well all agents adhere to the policies and procedures of the department and correctly complete their work.

4. *Compliance* – how well agents comply with regulatory requirements.

5. *Customer satisfaction* – how satisfied customers are with their service or sales experience.

6. *Agent satisfaction/engagement* – how happy agents are with their job.

7. *Effectiveness* – the efficiency of the contact center in addressing customer needs.
8. *Customer effort* – how easy it is to do business with the organization.

All of these KPIs should be measured for the contact center overall. With the exception of cost, the rest of the KPIs should also be used to track the performance of each site, team and agent.

III. Time Frames for Reports, Dashboards and KPIs

To realize the greatest benefits from each dashboard and report, users should set the appropriate frequency for receiving the data. Reports and dashboards are produced and delivered in three different time frames:

> *Real-time* – dashboards that are intended to report on what is occurring, as it happens. There may be a 3- to 5-second latency (delay) in the delivery of real-time information to agents, supervisors, workforce management (WFM) administrators and line managers.
>
> *Near-rear-time* – dashboards or reports that display contact center activities at pre-defined intervals such as 1, 5, 10 or 15 minutes. (And some even claim that 30 minutes is still near-real-time.) This information is used by agents, supervisors, WFM administrators and line managers to take corrective action throughout the day.
>
> *Historical* – reports that identify long-term trends in the contact center. They are mostly often produced on a next-business-day basis and can display contact center performance data for a daily, weekly, monthly, quarterly or annual period. These reports are typically used by executives and line managers to measure and evaluate the overall performance of the department and each site.

During the roll-out process for each new system, contact center managers should determine and specify the KPIs, reports and dashboards that are required for their department. This step will ensure that various constituents receive the information they need, and it will greatly increase the chances of a successful implementation. The number-one complaint about many different types of contact center solutions is that the dashboards and reports do not provide the KPIs and data needed to manage the system and department. In fact, in many cases the data is available, but due to lack of training, the managers do not know how to obtain it. To avoid this situation, allocate a few hours to addressing reporting needs during the system roll-out.

IV. Top KPIs

Figure X presents the KPIs that contact center managers should use to track and evaluate the performance of their department and/or to share with their supervisors, quality specialist (QA) professional/trainer, WFM administrator, and agents. This list is intentionally short, as there are hundreds of KPIs and metrics available, but only a few that are necessary to gain a good understanding of what is happening in the department. (Most of these KPIs are intended for inbound contact centers, but many of them also apply to organizations that place outbound interactions.)

Figure 1: Top KPIs and Uses

KPI	Contact Center		
	Customer Service	Sales	Collections
Cost			
Total department cost	✓	✓	✓
Total cost per blended transaction	✓		
Cost per transaction type (channel or type of inquiry/sale)	✓		
Cost per sale		✓	
Cost per collected dollar			✓
Cost per right-party contact			✓
Productivity			
Total number of transactions offered, by channel	✓	✓	✓
Total number of transactions handled, by channel	✓	✓	✓
Contact handle time, by channel	✓	✓	✓
Agent occupancy rate	✓	✓	✓
Total revenue	✓	✓	✓
Sales offer rate	✓	✓	
Sales conversion/close rate	✓	✓	
Up-sell/cross-sell rate	✓	✓	
Total dollars collected			✓
Total promise to pay			✓
Percent of promises kept			✓
Average payment amount			✓
Recovery rate			✓
Quality			
Quality evaluation score	✓	✓	✓

Compliance			
Error rate	✓	✓	✓
Regulatory compliance score	✓	✓	✓
Customer Satisfaction			
Customer satisfaction score (which could be Net Promoter Score)	✓	✓	
Customer attrition rate	✓	✓	
Social media "likes"	✓	✓	
Agent Satisfaction/Engagement			
Agent attrition rate	✓	✓	✓
Attendance	✓	✓	✓
Lateness	✓	✓	✓
Effectiveness			
Service level	✓	✓	✓
Abandonment rate	✓	✓	✓
First contact resolution rate	✓		
Customer Effort			
Self-service displacement/automation rate	✓		
Transfer rate	✓	✓	✓
Hold rate	✓	✓	✓
Average wait time per channel	✓	✓	✓
Complaints per channel	✓	✓	✓
Escalations per channel	✓	✓	✓

Source: DMG Consulting LLC, April 2018

V. Who Should Have Access to KPIs?

To optimize the performance of the contact center, give all employees, from agents to the executive director, access to the data they need to perform their function. The trick is to give them the right KPIs and any related data that will inform, engage and motivate them, on a timely basis. Here is what is needed:

Agents: Real-time information about their performance to allow them to self-correct while there is still an opportunity for them to alter the outcome.

Supervisors and line managers: Real-time, near-real-time and historical data to allow them to identify issues and take remedial action in near-real time, and to identify and address long-term trends.

Executive management: Historical data containing information necessary for identifying trends that need to be addressed.

It’s ideal to use a performance management application to deliver the right data to the relevant party on a timely basis. If this is not possible, use an ACD with customizable dashboards that give supervisors and line managers real-time access to performance data for their agents and teams. It should also allow agents to view their performance data in near-real time throughout the day, so they can see if they are meeting their goals.

VI. Balanced Scorecard

Millennials have opened the eyes of executives to the importance of sharing performance data on a timely basis; this is a best practice for all employees. Agents should receive a performance scorecard on a weekly and monthly basis so they can see how well they are meeting their objectives and understand how they contribute to enterprise goals. To engage the staff, the scorecard should address a limited number of KPIs over which they have direct control.

Figure 2 provides a balanced scorecard for an inbound customer service, sales or collections contact center. This scorecard is designed to provide a balanced view of each agent’s performance by addressing quality, productivity, effectiveness, customer satisfaction and reliability. Each organization should customize this scorecard to include the performance criteria that are most important to their contact center, and remove other categories and/or KPIs that do not apply to their environment. (For example, an inbound customer service contact center should remove the categories that apply to collections environments, as well as the KPIs that address sales, if they do not perform these activities.)

Figure 2: Balanced Scorecard

Agent Balanced Scorecard

Name :	Time period:			
	Goal	**Score**	**Variance**	**Trend**
Cost				
Total cost per blended transaction				
Cost per transaction type (channel or inquiry/sale type)				
Cost per sale				
Cost per collected dollar				
Cost per right-party contact				
Productivity				
Total # of transactions offered, by channel				
Contact handle time, by channel				
Agent occupancy rate				

	Goal	Score	Variance	Trend
Agent utilization rate				
Total revenue				
Sales offer rate				
Sales conversion/close rate				
Up-sell/cross-sell rate				
Total dollars collected				
Total promises to pay				
Percent of promises kept				
Average payment amount				
Recovery rate				
Quality				
Quality evaluation score				
Compliance				
Error rate				
Regulatory compliance score				
Customer Satisfaction				
Customer satisfaction score (could be Net Promoter Score)				
Customer attrition rate				
Social media “likes”				
Agent Satisfaction/Engagement				
Agent attrition rate				
Attendance				
Lateness				
Effectiveness				
Service level				
First contact resolution rate				
Abandonment rate				
Customer Effort				
Self-service displacement/automation rate				
Transfer rate				
Hold rate				
Average wait time per channel				
Complaints per channel				
Escalations per channel				

Source: DMG Consulting LLC, April 2018

VII. Final Thoughts

Having the right KPIs is necessary for managing a contact center, regardless of its size. However, the KPIs that are needed are not tied to the size or complexity of the contact center, but instead to its underlying purpose: customer service, sales or collections. While most contact centers generate dozens and possibly hundreds of KPIs from their various operating systems, it only takes a few to obtain deep insights into the performance of the department, particularly when this information is shared with all employees on a timely basis.

About NICE inContact

NICE inContact is the cloud contact center software leader with the world's No. 1 cloud customer experience platform. NICE inContact CXone combines best-in-class Omnichannel Routing, Workforce Optimization, Analytics, Automation and Artificial Intelligence on an Open Cloud Foundation. NICE inContact's solution empowers organizations to provide exceptional customer experiences by acting smarter and responding faster to consumer expectations. NICE inContact's DEVone developer program is an extensive partner ecosystem, providing applications from partner companies on the CXexchange marketplace that are designed to integrate with CXone. NICE inContact is recognized as a market leader by Gartner, Ovum, IDC, Frost & Sullivan, and DMG. www.niceincontact.com

About DMG Consulting LLC

DMG Consulting LLC is a leading independent research, advisory and consulting firm specializing in contact centers, back-office and real-time analytics. DMG provides insight and strategic guidance and tactical advice to end users, vendors and the financial community. Each year, DMG devotes more than 10,000 hours to producing primary research on IT sectors, including workforce optimization (quality management/liability recording), workforce management, performance management, speech analytics, desktop analytics, robotic process automation, text analytics, customer journey analytics, surveying/voice of the customer, voice biometrics, cloud-based contact center infrastructure, dialing, intelligent virtual agents, interactive voice response systems and proactive customer care. Our actionable solutions are proven to deliver a lasting competitive advantage, and often pay for themselves in as little as three months. Learn more at www.dmgconsult.com.

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