



CUSTOMER REACH

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Service Standards

It is essential for all organizations to assess and then define the standards of service they will deliver to their clients and customers. These standards set the expectations in the customers mind as well as in that of the organizations staff. This whitepaper sets out the rationale and framework for establishing service standards within any organization.

A recent TARP survey indicated “that 30% of Customer dissatisfaction was caused by incorrect customer expectations and a further 30% by Marketing setting improper expectations”. According to a recent survey 46% of customers who had called a contact center are dissatisfied with the service they received¹. So it may be unfair to lay the blame for all customer dissatisfaction at the doorstep of the call center. In some cases they are just the messenger. Regardless of the source, customer expectations will drive calls to the call center. The customer will hold up their expectations to their own experience and then voice their objections at any (real or perceived) deficiency.

Service Standards can be powerful tools in setting customer expectations, through advertising. We are all familiar with the following advertising tag-lines that impact on customer expectations;

- “Quality is Job 1”,
- “When it absolutely, positively has to get there”,
- “Satisfaction guaranteed or your money refunded”,
- “We try harder”,

Each of these advertising taglines tells you that the company will live up to these expectations. But what if your Ford is always in the shop or if in your opinion the counter staff at Avis didn’t try harder? Well the next step is often a call to the company contact center to complain.

Companies must look long and hard at the expectations they are setting when they make commitments. This is not only true of advertising but in each and every customer interaction. Many companies know the damage they can inflict upon themselves by not living up to the promises they have made. Failure to live up to customers expectations is frequently cited as one of the top reasons for customer defection.

So how can companies keep themselves clear of this potentially dangerous situation? Well firstly they must acknowledge that no company can control all expectations a customer may hold as they are based upon not only statements made by the company but also by the customers’ perception of those statements. Secondly they must know and prove to you that you can and will meet these expectations.

FedEx tracks all service contacts (calls, pick ups, deliveries etc.) they has set an acceptable failure rate of 1 failure per million interactions. This they believe equates to and supports their advertised tagline. Lastly you must regularly

¹ YouGov



test and retest your own performance to ensure that you are meeting your own metrics.

The following guidelines will provide some parameters for use in developing or re-assessing service standards;

1. Test your current performance,
2. Identify variations that impact on the performance
3. Compare current performance to established Goals/Targets,
4. Revise performance standards if they are not meeting goals/targets,
5. Reassess every 6 to 12 months.

It is better to have no defined Service standards than it is to have ones that are not delivered. The failure to meet an identified service standard not only dissatisfies the customer who was expecting better because you told him to, but also communicates a very dangerous message to your staff..."we don't have to do what we said we would do." The impact on morale and performance can suffer greatly under such thinking. "Why should any employee go above and beyond the call if the company won't?"

Under this thinking you can see why a high service standard that is missed by 10% is much more dangerous than a lower standard met every time.

So in what areas should you look to set service standards? The following is a list of possible service standard objectives and measures;

1. Access and availability - ease of access when you want it
2. Reliability or accuracy - consistency of service each time
3. Knowledge and competence - those providing service are well informed and competent
4. Courtesy and helpfulness - the manner of how dealing and contacts are handled is satisfactory
5. Promptness and efficiency - the transaction is handled speedily and efficiently
6. Responsiveness and resourcefulness - willingness to adapt service to needs
7. Price and value for money - when the service is paid for

Different organizations in different industries will have different service standards but each will share two key attributes;

1. They will define a key element of service that is important to their customers.
2. The Standard will be easy to understand and easy for customers (and staff) to measure.
The Standard(s) must be kept simple and straightforward to ensure that you keep track and understand the results that are being achieved.

The establishment and attainment of defined and meaningful service standards that can be consistently and profitably met will support improved customer satisfaction, improved customer loyalty and reduced customer churn which are all hallmarks of successful and growing companies.

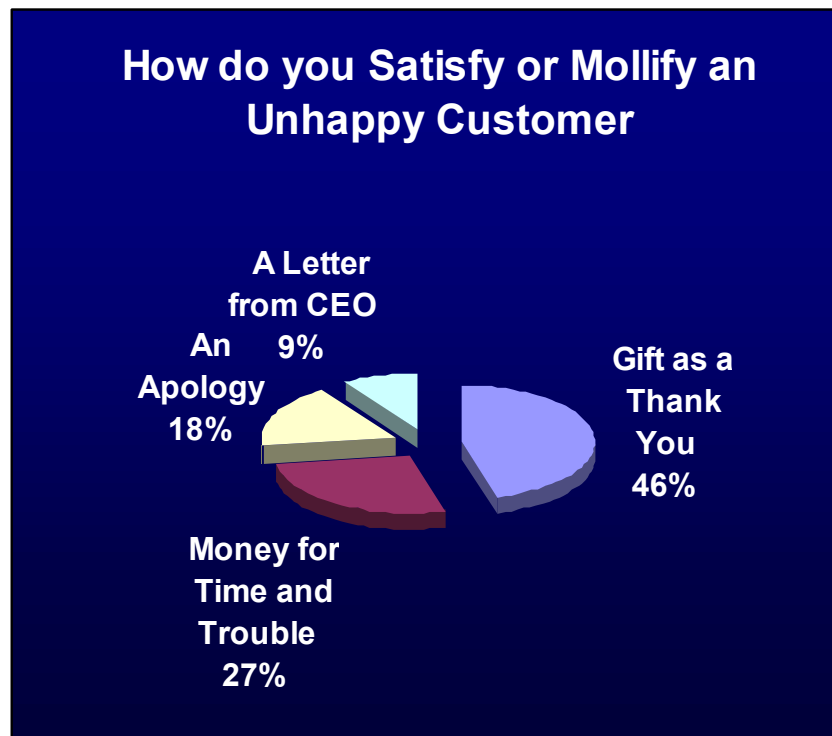
Let us know what you think of this article or any suggestions you have for future issues by email at feedback@thetaylorreachgroup.com .



Poll of the Month

Each month on the TRG website (www.thetaylorreachgroup.com) we ask you to cast your vote in our monthly poll.

“With more and more surveys finding increasing customer dissatisfaction with their call or contact center experience, what do you feel are the best option that you can deliver to satisfy or mollify a customer whose problem you cannot fix?”



Poll Results: The results provided some surprises. Research has indicated that most customers only want two things from a company when the problem cannot be corrected; to be allowed to vent their frustration and to get an apology from the company. In our November poll we received zero votes for ‘venting’ and only 18% indicated that they provided an apology. These results show that most organizations are throwing money and/or gifts (73%) at the problem when an apology and a chance to vent will be far more effective.

Do you have an idea for an upcoming poll? If so we would love to hear it.

Please email your suggestion to feedback@thetaylorreachgroup.com

Newsworthy

In this regular column we review the latest news, predictions and trends impacting on the Customer Interaction Industry.



Team sizes are decreasing

The recently released 3rd Quarter results of the ACCS (Australian Call Centre Survey) indicate a decrease in average team size in Contact Centres across Australia. In 2002 an average team size of 13 Agents per Team Leader was reported. 2003 recorded an average of 12 and this year (Jan - Sept 2004) has recorded an average of 11.4 Agents per Team Leader. This decline in team size may be a consequence of the increase in training that has been recorded over the last couple of years. This smaller average team size may also explain why there has been so little Team Leader movement in staffing numbers for the last few quarters.

Those centres with Seniors in their teams have 12.4 Agents per Team leader, and those without Seniors have an average of 10.1 Agents per Team Leader. It is also worth noting that in 2004 a higher average percentage of support staff have been employed than in previous years.

Asia Pacific Call Centre News

VoIP and broadband spur teleworking

The rise of VoIP and broadband communications has enabling a more and more staff to work from home, according to a new survey from AT&T and the Economist Intelligence Unit (EIU).

Two thirds of 254 executives, surveyed in between March and April 2004, across the US, EU and Asia Pacific, said that at least some of their staff work from home regularly, a substantial increase from the same survey conducted a year earlier.

Remote working, or telecommuting, is uppermost in most executives' minds when drawing up their technology strategies: 81% of them said that giving remote workers full access to the corporate network is a "critical" or "important" objective.

Broadband access and VoIP are two crucial enablers of remote working, and, according to the report, adoption of both technologies is skyrocketing. The survey also shows that 21% of companies today use VoIP for remote working, and that 79% of executives expect their companies to be doing so in two years time. "The benefits that remote working can bring; such as lower costs and increased productivity - combined with technology drivers such as increased broadband penetration and the coming of age of Voice over IP, mean that remote working is no longer just an option for business but has become an essential part of the networking toolbox." said Steve Lowe, Vice President, AT&T Business Asia.

Callcentres.net

The four technologies that will revolutionize customer service are;

- 1- proactive service,
- 2- voice-enabled self-service,
- 3- multi-channel personalization,
- 4- online account management,

Forrester Research Inc.

Agent Adherence increasing



The Australian Contact Centre Survey (ACCS) third quarterly (July – September 2004) survey results, published this week, saw a rise in average Agent Adherence targets from 86.8% (Q2-04) to 90.2%. This 3.4% gap in adherence target this quarter compared to last equates to a team annual salary cost of AU\$17,298 that has been remunerated by productivity this quarter that was not remunerated last quarter. This is based on a team of 12 agents (half experience, half entry level), one new senior agent and one experienced team leader, and does not include superannuation or workers' compensation costs.

Two thirds of ACCS survey participants met or exceeded their agent adherence targets for the quarter. These targets ranged from 70% to 100%. Using the same team costs this represents AU\$152,626 variation in annual salary budget for one team not remunerated by productivity. To put this into context, a centre with 6 or more teams would have over AU\$1 million extra in costs using the lowest adherence target compared to a similar centre using the highest target.

Asia Pacific Call Centre News

Ask the Experts

The following are actual questions posed to the TRG experts. You can pose your questions on our website.

Calculating Occupancy/Utilization

Question: “How do determine the Occupancy in my center. My head office is looking for 80%+ occupancy. My current period results are as follows Total Sign on time = 5852847, Available = 2523551, Wrap = 167516, and Talk Time = 2001143?”

Expert Response:

You've posed a good question. Clarity is important so I have outlined your supplied data here. Your question is what is the occupancy of the agents in the center?

$(\text{Inbound Talk} + \text{Wrap}) / \text{Total} = \text{Occupancy}$
 $(2,001,143 + 167,516 = 2,168,659) / 4,692,210 = 46\% \text{ Occupancy}$

Data	Second
Total Sign	5,852,84
Availabl	2,523,55
Inbound	2,001,14
Wra	<u>167,516</u>
Tota	<u><u>4,692,21</u></u>

In this example the agents are logged in (Total Sign On) to the ACD for 5,852,847 seconds. The only three states the agents can be in (for this example) are Available, Inbound Talk or Wrap. Available, Inbound Talk or Wrap total 4,692,210 seconds. Therefore, there is an immediate gap of 1,160,637 seconds or about 20% of the time unaccounted. What are the agents doing during this time that is not logged? If this time represents other workstates unrelated to the center activity this unaccounted for work-state needs to be removed from the Total Sign on total.



46% Occupancy seems low and the Available is far too high. If this is the case then better forecasting and scheduling with go far to solve the problem.

So you should apply this management technique to your contact center. There are more articles on this topic available under the "news" section of the TRG website

Let us know what you think of this response. How would you have answered this question? Let us know at feedback@thetaylorreachgroup.com

Inside TRG

Here we grow again

TRG has moved into our new offices at;

31 Barr Road,
Ajax Ontario, L1S 3Y1

Our main telephone number is 905-426-5055, our fax number is 905-426-6793

Our direct contact numbers have not changed.

This new space was required to support the growth TRG has been experiencing over the past year and we foresee this growth continuing into the future.

In the last few issues we asked for your help and assistance in re-designing our web-site to make it more relevant and functional for you. We have received some suggestions but as always welcome more. So please don't be shy, let us know how we can make the website www.thetaylorreachgroup.com more helpful, applicable and beneficial to you by emailing us at feedback@thetaylorreachgroup.com .

Holiday Wishes

As we head into the holiday season I would like to thank all of our clients and friends who have made the TRG a successful, productive and enjoyable endeavor in 2004. Everyone at TRG wishes our friends, clients and their families and enjoyable holiday season and a healthy, happy and profitable 2005!

If you would like any more information on TRG activities or upcoming events please contact us at info@thetaylorreachgroup.com

Career Opportunity

While TRG is not a recruiting company we do frequently get asked by our clients to assist them in securing the best possible person for internal positions. One of our clients is presently looking to fill a new position...Customer Service Manager- This is a new roles based in the corporate office located in the south east. This position will have overall responsibility for customer service within the organization. As a new position the successful candidate will help shape to company's view of Customer Service. This position will require extensive travel and requires excellent Project Management and call center/customer service management skills. If you are interested in finding out more about this position please contact Colin



Taylor at ctaylor@thetaylorreachgroup.com.

Upcoming Events

Colin Taylor will be speaking on January 18, 2004 at the Association for the Advancement of Relationship Management event in Toronto. The topic is "Bringing Marketing into the Call Center". For more information please contact Colin at

ctaylor@thetaylorreachgroup.com or AARM at <http://www.aarm.org>.

Case Study

In this regular column we review the successes that TRG is part of.

Assisted Major Publisher to reduce costs by almost 50% while improving Service Levels and end user satisfaction

The Challenge:

A major Publisher was experiencing rising call volumes and costs. Their internal and outsourced resources were stretched to the max and their service and quality levels were at all time lows.

The Process:

The solution involved a complete review of the existing processes and procedures and in-depth study of the call arrival patterns, causal events and a full operational audit. A full redesign of the process, its metrics was proposed.

The Solution:

With the client on side all calls were removed from the internal center and with the existing outsource call center and moved to a new outsourcer. Significant training based upon competencies required was provided. The call volumes surged from the day of the cut-over increasing to more than 20,000 calls per day, due in large part to the poor service levels that had become the standard prior to the cut-over which created a backlog of unresolved issues. Within a week call volumes had subsided, service and quality targets were being achieved and the both the call length and call resolution rates were at new record highs.

The Result:

Within six months the company had reduced its call center costs by more than 50% (more than \$1,000,000) and maintained industry leading service and quality performance.

The company received the Teleperformance Grand Prix Gold Award for Customer Service as the best customer service call center in its vertical in Australia! Two of the senior partners of TRG were involved in delivering this

success story.



The Taylor Reach Group Inc.-Strategic and Operational customer interaction consulting services that deliver Operational Innovation breakthroughs in Contact Center operations.

Award winning service and more than 75 years of industry experience serving 'Fortune 1000' companies (in the past six months we have added 3 more!). Extensive North American and International experience with both captive and outsource centers.

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