



CUSTOMER REACH

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The Importance of Forecasts

How often have you seen or heard about call center management struggling with the senior executives or their own staff about the resources needed by the center to do the work. Missed service levels, tired or worn out staff, blocked calls, long hold times are but a few of the issues facing call center management everyday. Is there a better way?

Fortunately yes! One way is to have a forecast of work volume and staff for at least six months by week and eighteen months by month. This type of forecast is done with a few hours work and a spreadsheet program. Like most systems in call centers today it requires input from a number of sources; sales, marketing, operations and call or work history from the center itself.

To be sure on the terms, this is not a staffing scheduling forecast; one that is generally between one to five weeks out. That type of short term staffing forecast is fine and is needed to plan the shifts and work arounds. Staff scheduling is tactical and day to day. It does not provide the kind of insight needed or desired by senior officers of any organization.

There are many applications and tools out there now that provide a very decent calculation of the number of staff needed to provide a given level of service. These tools and applications support the creation and maintenance of staff scheduling. For many centers this is the point at which they stop.

For a few, it is the starting point. From here the few gather other key information. Such as: volume by period for the last 18 months by transaction type, this shows any seasonal variations and/or trends that need assessing; rate of absents, sickness etc., this allows a judgment of extra or additional capacity from existing staff that is likely to be needed; vacations, how many man-days and when, (service still needs providing, but staff seem to like vacations, go figure); special events or marketing initiatives likely and the range of effects on the work load, while not exact, something is better than nothing.

Marketing and sales will be pleased that you cared enough to ask. Be aware that many "forecasts" from marketing and sales are more likely goals and objectives for the campaign. Be sure to check past campaigns for projections and actual results. You may need to develop a 'discount rate' to view actual results versus planned goals or targets. This gives a good indication of the range that is possible not just what someone's budget goal for the year is projected at. At the same time get sales to provide the run rate of the last 12 to 18 months and the plan for the upcoming period. Once the sales and marketing historical data is provided it should be checked and matched against the historical call rate for the center to establish whether or not there are any relationships. A common relationship is a lag between a sale and the service call. Another common relationship is the delay between placing an order for a product or service and its delivery. The greater the time between these events the greater the number of calls a center generally receives.

Any training and special projects need identifying. Training for both new staff (induction) and on-going refresher or



upgrading for existing staff. Keep in mind the churn or turnover rate for the center. High growth or high turnover either internal, churn or people leaving cause productivity decreases. A 'Special projects' allowance is always good to have in reserve as well. These projects provide staff with an opportunity to demonstrate skills and knowledge outside their usual arena. This can be a key element in staff development and they are a very good morale booster for everyone.

From these basic measures of work and capacity, a staff full time equivalent (FTE) requirement can be determined. Depending upon the center policy toward full, part-time, contract staff mix will dictate the number of total staff and the number of seats needed for the call or work demands by period.

The demand is the call or work load, the number of calls likely per period. It is essential that for budget purposes an 18-month view by month with assumptions be the start of the forecasting process. Once completed it is easy to keep up-to-date on a monthly basis with weekly reports of actual versus forecast. Eighteen months is roughly one business cycle for most companies or organizations. It is not too far off in the future to fall suspect to wishful thinking or idle speculations. It is something that everyone can see and understand is in the near term. It is also far enough out that proposals regarding capital expenses can be developed and presented for approval with a fair chance of decisions before the projections become invalid. This improves the business planning process. This view also means that there are no surprises about changes to volumes at budget time.

It is a good idea to review the data, assumptions and the methodology approach with the senior officers and those in the operations. This gets them comfortable with this type of approach; builds the communication and understanding of why the center operates the way it does. With this in hand any center executive can discuss with everyone, staff, operations, HR, senior officers any aspect of the center based on the work the center is asked to handle. Everyone then is working from the same information and knowledge.

Once agreement is reached on the forecast it is then deconstructed to the operational forecasts for block scheduling and staffing requirements. First calculate the staff hours required to handle the projected work for an operational 52 week forecast. Identify any periods of very high volume or very low volume to block out best times for vacations, special projects, new staff likely hiring, training periods and black-out weeks (i.e. no vacations, special events or training, anything that might reduce the capacity of the center to handle the work). Add the allowances for total vacations earned or expected, training, special projects etc. Use the factors for churn and turnover to identify the number of new staff and the best periods to recruit and training. Add all these together and make an allowance for sick and absences, reviewing past data to see if there is any seasonality that should be taken into account.

The result is a 52 week forecast of staff hours needed to successfully run the center meeting all service target requirements. This is then broken into a model of full and or part-time headcount requirements. Each center has its own approach and ratios of full and part time mix. Generally centers try to find the mix that maximizes their flexibility to grow or shrink the hours to meet the work and demand changes.

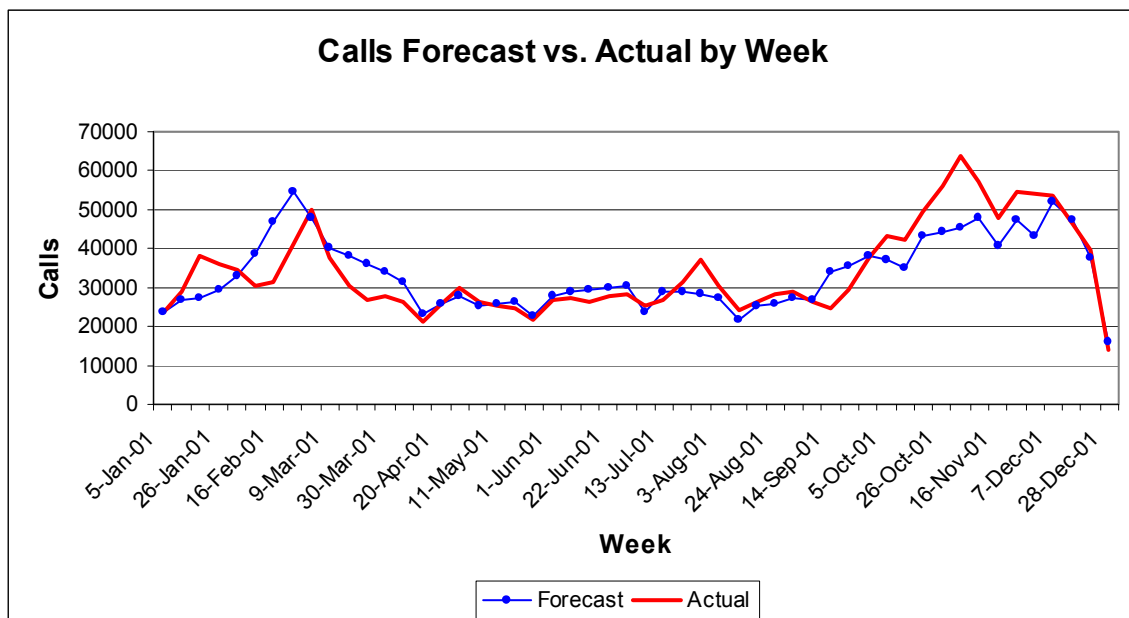
For instance if a center requires 30 FTE (full time equivalents) it might have 18 full time staff, 12 part-time, 8 on contract or temporary. This totals a headcount of 38 but with the same base hours as 30 full time staff. This practice provides flex for the center manager to change capacity and optimize staff mix as demand ebbs and flows. At any time the hours available could vary by 33%.

This ability to adjust and react is critical. The operational managers of any center are always trying to produce the required service at the least cost. It is easy to reduce the costs in the short term by reducing staff headcount to the bare minimum required to meet the service now. This strategy is short-sighted and counterproductive. Reduced staff burnout faster, turnover increases, service levels degrade and AHT increases due to poor service. A strategy of adequate staff with flexibility to adjust to meet both work and service demands keeps both the service quality and costs in-line.



With the staffing requirements completed scheduling is the next step. Schedules should generally be done between 2 to 6 weeks in advance. Adjustments below this level can easily be handled with overtime, extended hours, reduced work etc. between the managers, supervisors and agents. Center managers keep an eye on the total hours, calls and the budget for the period. If they are in balance all is fine. Adjustments or trends are noted and tracked for inclusion in the next revision of the forecasts and operational schedules.

Forecasts are part science and math, part experience and judgment. Use, understanding and experience drive revisions. These require posting and publishing to everyone concerned once approved and accepted by center management. Key issues include; what degrees of variation, range or margin of error are required to provide an 80 to 90 percent reliable prediction of work for any period and what is driving the deviations from that norm. The chart below illustrates a 52 week forecast versus actual view.



Periodic presentations to senior officers are always beneficial. With a forecast that is reliable and understood discussions focus on strategies for improvements and lessen those about what will or might happen. In short an accurate and effective scheduling process allows an organization to focus on strategic issues and not the tactical "what ifs" in the call center.

Forecasts like this are powerful tools. Updating them regularly, comparing actual results to projections management, staff and supervisors quickly gain confidence that management has foresight and is anticipating issues and problems before they arise. This tool provides more value at less cost than any other in the call centers arsenal.

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

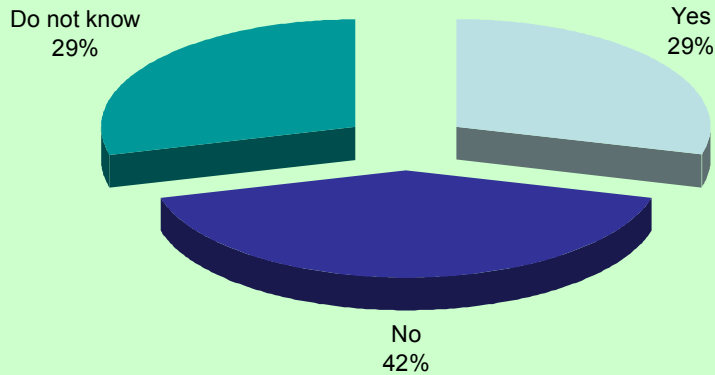
Poll of the Month



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

We recently asked you to identify your current and/or planned activities opposite Call/Voice logging or recording.

"Have you realized the promised performance gains or cost reductions expected on your call center technology investment"



Poll Results:

Despite all of the rhetoric, case studies, ROI's and claims the majority of technology investments have not demonstrated the promised return or benefits. Less than 30% of respondents to our recent Poll of the Month, Only 29% of respondents said that they have realized the promised performance gains and/cost reductions expected on their call center technology investment. On the other side, 42% of those who responded said they have not realized the promised benefits. It is interesting to note that 29% indicated that they did not know if they have realized the expected benefits..

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.

Forrester Research warns that BPO outsourcing to India may drop by up to 30%

The alleged fraudsters, including three employees of outsourcer Msource, the BPO unit of Indian firm Mphasis BFL, were



arrested for allegedly siphoning off around \$US 350,000 from customers of Citibank. According to Indian press reports, the three call centre workers had obtained customer usernames and passwords in the course of their work. In a statement, MphasiS said it regrets the occurrence, which seems to involve some ex-employees."

John McCarthy, vice-president of Forrester's Asia-Pacific operations, said alleged fraud, "along with recent onshore disclosures of sensitive customer data, will have far-reaching negative connotations for the offshore BPO space. It's a blow to MphasiS' move to focus on BPO," McCarthy said. "At best, this incident is going to lengthen sales cycles, slow clients expansion of current business, and cost it new business. In addition, Citibank is one of the firm's largest customers, and if the bank cuts back its work with Msource, it will be a major setback."

[Callcentres.net](#)

US woman jailed over emergency call centre misuse

An 86-year-old American woman was jailed after police said she called US emergency call centre staff 20 times in a little more than a half-hour to complain that restaurant refused to deliver her a pizza.

Dorothy Densmore told dispatchers on Sunday that a local pizza shop refused to deliver to her south Charlotte apartment and also complained that someone at the shop called her a "crazy old coot". Densmore wanted the Pizza store staff arrested, but instead, police came to arrest her.

The woman was charged with misusing the emergency telephone hotline, jail spokeswoman Mandy Giannini told The Associated Press. It's unusual for someone to face charges for non-emergency calls, Giannini said, but Densmore kept calling 911, even after she was told to stop. When an officer arrived at her apartment, Densmore scratched him, kicked and bit his hand. She is also charged with resisting a public officer and two counts of misusing the emergency telephone system.

[Callcentres.net](#)

600,000 new Agent Positions forecast by 2008

Datamonitor predicts that EMEA (Europe Middle East Asia) Agent positions will grow from 1.5 million Agent positions in 2003 to 2.1 million by 2008, with a CAGR Of 6.3% through this period.

[TRG](#)

Customer Service 'Road Rage' Grows

In a recent survey, 80 percent of respondents said they'd rather go to the dentist or sit in traffic than deal with an unhelpful customer service representative.

[CIO Today.](#)

Poor Customer Service in Four Major Financial Services Companies

In Vocal Laboratories' new quarterly SectorPulse Financial Services report, which measures the quality of customer care, none of the four companies scored above a "C" in either Caller Satisfaction or Call Completion.



Financial services is a new industry for SectorPulse. This survey was conducted as part of an ongoing project to measure the quality of customer service across different financial services companies.

Wells Fargo was the clear winner in customer service quality with a "C" in both Caller Satisfaction and Call Completion.

The second place tie was between Bank of America and Washington Mutual with a "C" in Caller Satisfaction and a "D" in Call Completion. Citibank followed with a "D" in Caller Satisfaction and Call Completion.

"We grade customer service based on direct comparisons to other companies' customer service," said Peter U. Leppik, CEO of VocaLabs. "To earn an 'A' a company must provide service better than at least 75% of all companies we've tested. Overall, this data shows us that these four large financial services companies have a lot of room to improve their customer service levels," said Leppik.

Common customer complaints were long wait times and difficulty navigating the automated system. One panelist commented, "It took three different transfers to get the information I wanted. It would be much more convenient to speak to just one person instead of being put on hold every time I was being transferred to another department." Another panelist said, "Have the options of which department is required at the beginning of the messages. I like to know how to get a live person to speak to immediately instead of going through a long list before hearing what I am looking for (when I require such services)."

Data in this report was gathered between January and March 31, 2005.

Originally published by ICCM

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

Dedicated teams are more effective and more efficient.

Question: I have a call center department of around 75 reps with inbound needs of around 8-12 daily fte. Is it better to have a dedicated team of 9 bodies or allow the excess to roll to the other reps in another skill set?- David N

Expert Response:

I would suggest that a dedicated team will be both more effective and more efficient than a non dedicated team. The benefit here is to create specialists who can provide a higher level of service and efficiency.

There are more than 130 Skill Sets for Contact Center work...

Question: I am looking into creating a proposal extolling the virtues of giving our CSR's more skill sets. I am hoping this will #1 add variety to the job and #2 increase customer satisfaction. Anything you can tell me about this?- Trish N

Expert Response:

There are more than 130 competencies required to work in a Customer Service Call Centre. More skills are required in a fully integrated centre and still more if the centre provides technical support. The more skills a CSR



has the more they can do and the more valuable they become to the company. Of course adding skill sets and competencies requires time (and therefore money) but there are a number of ways that these investments (costs) can be recouped. For example by increasing skills of the CSR's you may be able to integrate two queues into one, thereby increasing efficiency and reducing the cost. You may be able to generate more sales of supplies, equipment etc. through the development of a selling competency. I would agree that as they say "variety is the spice of life" and adding capabilities will allow the CSR's to undertake different functions and complete different tasks. This functional 'variety' will reduce 'burnout' and should also contribute to reduced turnover. It will also improve CSR job satisfaction and employee morale.

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

TRG Secures Client Extensions and Grows Again

TRG has continued its breakneck growth rate by securing additional engagements from two of their current clients. Both Mercedes Benz USA LLC and Republic Services, Inc. have recently asked TRG to assist them with their call center strategic and tactical challenges.

Call Center and Customer Service consultancy Grows Again

Toronto- Colin Taylor, The Chairman and CEO of The Taylor Reach Group, Inc. today announced that the Ajax based Call/Contact and Customer Service Consultancy has added Rob Marzigliano to its' team of consultants. "Rob adds more depth to our team. With twenty years of call center experience Rob provides the hands-on expertise our clients expect from TRG", said Taylor.

"Robert has a successful track record building and operating some of the most admired customer service and operations centers. Prior to joining The Taylor Reach Group, Robert held the position of Vice President of Global Customer Service for Dendrite International where he was responsible for operating the outsourced customer support functions and sales force automation applications for 23 Pharmaceutical and Medical Device clients. Before that Robert was Corporate Director of Customer Service for Automatic Data Processing (ADP). In this position, he led business strategy development, business process reengineering and systems implementation while overseeing 60 customer service operations centers.

In the course of his career he has had hands on exposure to every facet of call center operations. Robert has a BBA from Hofstra University in New York".

Rob joins a company that has been growing at a rapid rate. The key to this closely held company's' growth according to Taylor is "offering strategic and tactical consulting based upon years of proven experience, delivering superior and breakthrough results. We only employ experts because our clients expect nothing less. Our expert staff, in-depth knowledge, proven results, and more than 100 years of call center experience has resonated with our customers, and in turn delivered superior results to our shareholders".

Please join me in welcoming Rob to the TRG team..



Case Study

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

Assisted a Major Retailer revise its operating processes and procedures and identified almost \$1 million dollars in operational efficiencies.

The Challenge:

A national retailer specializing in Consumer Electronics operating numerous contact centers was constantly striving to improve the efficiency and effectiveness of their operation. The challenge to Colin Taylor and his team was to improve the efficiency of the process without sacrificing the quality of service or satisfaction of the customers who called the center.

The Process:

Colin and his team of consultants began by examining the transactions and transaction types processed within the center. The engagement assessed the people in the call centers, their skills and competencies, the processes, procedures, operational methodologies, technology application, quality and service practices and business objectives.

The Solution:

The client employed processes and procedure that had been proven effective for many years. By examining the work flow and process flow in detail the consultants identified processes and process elements/steps that were not aligned with the contact center objectives.

By vetting and re-engineering the process maps, procedures and operational methodology we ensured that the objectives of the organization could be met. New processes were recommended that streamlined the process and reduced the points of failure substantially.

The Result:

The retailer reduced its AHT by more than two minutes per call and improved its customer satisfaction. The re-engineering process improvement and the associated reduction in AHT combined to total just less than \$1,000,000 in annual operational cost savings!



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

Award winning service and more than 100 years of industry experience serving 'Fortune 1000' companies. Extensive North American and International experience with both captive (in-house) and outsource centers.

Delivering Operational Innovation to your Contact Center

Contact Center Consulting, Customer Satisfaction, Contact Center Technology, Privacy, Supply Chain and General Management consulting services provided.

Award winning service...Reach Beyond!

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