



# CUSTOMER REACH®

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## The Elusive First Call Contact Resolution

First Call Resolution, or FCR, is a measurement used to identify the number of times a customer contacts a company's call center or support group to resolve the same issue. The end goal is to resolve the customer's issue during the first call. Often called "One and Done" this approach reduces the cost of supporting and addressing the same problem more than once. Many believe this simple metric can positively impact the total operational cost of a call center by more than 30 percent.

### Tools and Standards

So what makes FCR elusive? For starters, most companies do not have the tools by which to measure this metric. To effectively measure FCR, a call center's Customer Service Management (CRM) software must be able to determine how many times the customer has called on the same issue within a defined timeframe. Most CRM's are built to contain customer data, but few have the ability to recognize and pinpoint re-occurring issues. I have heard about companies attempting to determine this data by feedback forms, which is often a bad idea because customer feedback is inconsistent and can be far from accurate and reliable data and usually only expresses how the customer feels that day.

- \* CRM should be able to determine the following:  
# of times  $x$  caller calls in for  $y$  issue within  $z$  time limit; determines if the caller issue was resolved during the first call
- \* The formula to measure the call center FCR is:  
# of calls resolved during the first call divided by total # of calls

The second challenge with measuring FCR is that there really isn't an industry standard, therefore the formula can vary from company to company—and in some cases, board meeting to board meeting, depending on the preferred application. A cursory search on the Internet reveals at least 10 ways to calculate this measurement. What's more, I have seen companies alternate between formulas simply based upon the data their CRM is able to collect.

### Application and Methodology

To further illustrate how FCR can be so hard to pin down, consider the scenario below. The following example of how one company calculates FCR was cited in a popular call center magazine:

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A caller contacts us to adjust a late payment fee. Two days later the same person calls us to ask for our mailing address (within the 72-hour window).

We would count this as not resolved on first contact because the associate taking the first call should have confirmed that the customer had our (correct) mailing address, thus avoiding the need for the customer to contact us again. The resulting first call resolution percentage would be 0.00% (as we count **both** calls as not resolved on first call).

In my opinion, this measurement would be inaccurate since it includes controls outside the basic issue of the original call. Holding the metric responsible for the agent's inability to foresee a customer's future issue is not realistic. In the above example, the formula used was total calls by customer within  $x$  time limit; it doesn't consider what the call was about, just that the customer had to call back. This likely is as much a reflection on the method of FCR tracking as anything else. Many companies measure FCR, based on a time delay factor, i.e. "if the customer calls back within 72 hours then we failed to resolve their issue completely". This model also implicitly suggests that the agent should be able to anticipate what the customer will want or need to do and excludes any separately arising subsequent need..

FCR is a great measurement, but its application shouldn't be forced, if you find that your company systems are inadequate in calculating the metric. Any metric that can't be effectively tracked and managed can do more damage than good. Rather than embarking haphazardly into FCR, consider the options. There are other SMART (Specific, Measurable, Attainable, Realistic and Timely) goals that can be used to increase effectiveness and reduce operational costs. To use FCR unwisely would be akin to me using the metric in my personal life to identify why Aunt Alice has called so many times during the month -- a waste.

*Have a comment or two? We want to hear from you! If you want let us know what you think of this article, or for help with developing a strategy to determine how FCR can be used in your contact center, feel free to e-mail us at [feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com).*

Let us know what you think of this article send us an email at [feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com)

## Help when you need it

In conversation recently with a client, they remarked at how wonderful it was to be able to rely on TRG as a sounding board when reviewing and discussing contact center results and trends . This got us thinking that perhaps this would be a service that would be appealing to other organizations.

***What if you could have the services of a world class contact center consultant to review your performance, and act as your advisor for less than \$50 per day?***

We thought that everyone could use additional bandwidth or another set of eyes, so we thought we would offer just that. The new TRG Advisory Service will give you just that: you will receive a 90 minute debriefing on your center, your metrics, KPI's, your goals, objectives or plans. The each month you send us your results, strategies, plans or whatever and we will spend 2 hours reviewing the information, critiquing and developing questions. Then we spend 2 hours with you in a telephone or web ex conference reviewing our thoughts, questions and recommendations. You get all of this expert support and assistance for only \$1,000 per month. We have determined that we impose a strict limit of 25 clients for whom we will offer this service so as not to compromise the service we provide to our other clients. To get this program started quickly we will offer the first 10 clients a monthly rate of only \$800.00. The agreement term is for 12 months and if you don't feel you have received value for your money after the first month we will refund your money and cancel the agreement.

To enroll your company in the TRG Advisory Service program send an email to [ctaylor@thetaylorreachgroup.com](mailto:ctaylor@thetaylorreachgroup.com) and we can begin the service next month.

## Some of the Best Companies you have never heard of

In the course of completing projects fo our clients we often run into some great companies that are not well known. We thought that you would like to know about some of these companies. ShoreTel is one of these companies, in an industry dominated by billion dollar companies ShoreTel is the David fighting



against these Goliaths. Yet ShoreTel has been ranked as the number 1 VoIP Telephony system (by Nemertes Research) ahead of Cisco, Avaya and Nortel. Not only this, they have been ranked number one for four consecutive years. For more information on ShoreTel contact TRG or visit their website at [www.shoretel.com](http://www.shoretel.com)

Tacamor is a small contact center outsource agency based in rural Newfoundland. Yes that right, rural Newfoundland. This company provides customer service and technical support to companies across North America. This company is based in Placentia Newfoundland, a small town. It is that small town attitude towards service and value is what Tacamor brings to the table. Their staff is truly friendly and are committed to provide service. The staff is loyal, as they have chosen stay where they grew up and not migrate to the city or to other markets. As expected perhaps there are not many employment opportunities in Placentia, so the staff stays with Tacamor and improves their skills. For more information on Tacamor contact TRG or visit their website at [www.tacamor.com](http://www.tacamor.com)

## Selecting a IP Telephony System- Draft RFP available

It can be a task in and of itself, creating an RFP to send to vendors so that your organization can evaluate and select a new telephone system. With the shift to IP telephony, more IP systems than TDM systems have been shipped each year since 2005, it can be very daunting for organizations to manage their way through the complex RFP and selection process. In dealing with numerous organizations and helping them negotiate this process TRG has developed a straight forward and easy to use template for companies wishing to issue and RFP for an IP Telephony system. For a limited time we are making this available to subscribers of Customer Reach. The 15 page template is quite robust as is evident by the Table of Contents from the template below;

### Table of Contents

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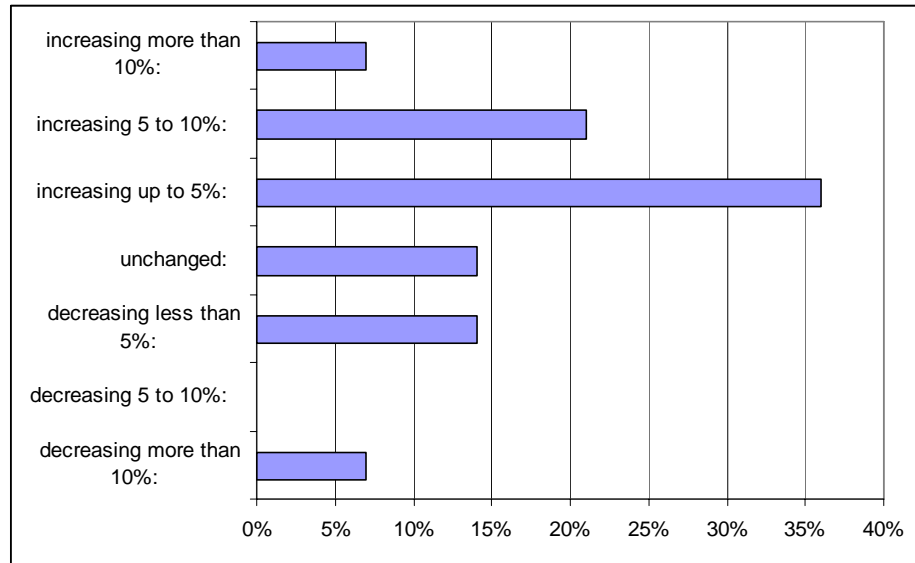


To receive a complimentary copy of the RFP template please email [ctaylor@thetaylorreachgroup.com](mailto:ctaylor@thetaylorreachgroup.com) and note RFP template in the subject line and we will send this right out to you.

## Survey of the Month

In this months survey we asked about your 2008 contact center budget.

# Poll Results



More than 100 respondents weighed in on this topic and the results are encouraging with 64% of centers reporting increased budgets and only 21% of centers reporting budget reductions. 36% cited increases of less than 5% with would incorporate all of the centers that have simply been granted a 'cost of living', budget increase. 28% of centers reported budget increases of more than 5% with 7% reporting an increase in their budget of more than 10%.

Let us know what topics you would like us to feature in future surveys by emailing us at [feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com)

## Newsorthy

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

### Dell Shuttters Texas Call Center

Dell Computer Friday closed its call center in McGregor, TX, laying off as many as 500 people, according to wire service reports.

The center had about 170 employees when it opened, but another 300 to 400 were later added. Dell announced an overall cost-cutting effort in May that involving the elimination of 8,000 full and part time positions.

### Direct Newsline



### **India's Telemarketing DNC Goes Live Oct. 12.**

The Telecom Regulatory Authority of India is activating its national do-not-call registry on Fri. Oct. 12.

Subscribers who have registered before Aug. 31 will not receive unsolicited commercial calls. Subscribers who register after that date will be added the registry after 45 days.

Telemarketers who call individuals registered on the registry will be charged 500 rupees (\$12.75) and face having their phone lines disconnected by their phone companies, according to the Authority. In addition, telemarketers who have joined the registry are required to scrub their calling list against information from the NDNC Web site ([www.ndncregistry.gov.in](http://www.ndncregistry.gov.in)).

### **Direct Newsline**

### **Vegas eyes US offshore backlash**

An increasing number of American companies are reportedly reversing their offshoring decisions, according to US media.

Companies including Dell, CapitalOne, Delta Air Lines, AT&T, Netflix, Apple and JPMorgan have either taken contact centres back to the US or made calculated decisions to keep new customer service functions in-country. A "general unhappiness" with offshored call centres is spurring a nationwide repatriation of customer-service operations, said Paul Stockford, chief analyst at customer-relations and communications company Saddletree Research. "(Overseas call centres) have become politically unpopular," Stockford said. "It's just not appropriate to have an agent on the other end of the phone who doesn't speak English as a first language. It's very difficult to communicate and get things done to a customer's satisfaction."

One of the domestic destinations looking to fill the home-based outsourcing gap is the American gambling capital, Las Vegas. Somer Hollingsworth, chief executive of the Nevada Development Authority, told reporters he has fielded nearly half a dozen serious requests for information from call centre operators in the last year, compared with no queries in 2004 and 2005.

"We're getting a lot of calls from around the country now," Hollingsworth said. "We're taking a look at them, and we'll try to bring some of them in."

### **Callcentres.net**

### **Suncorp a leader in mature recruitment**

Suncorp's policy of actively seeking mature aged agents may be part of a wider trend of seeking to reverse the prevailing trend of "ageism" in the workplace.

Suncorp's strategy has attracted media interest in Queensland, with the Courier Mail reporting that the insurer is an active recruiter of older workers, particularly in its contact centres. The newspaper quotes 60-year-old agent Chris Reilly as explaining that older operators have the capacity to interact with customers and "the customer's experience will differentiate us from our competitors".

According to Gina McLellan, Queensland general manager for recruitment company Hudson, while there is a trend against older workers, there are some changes. "There is a perception that mature people are burned out. But now that employers are starting to see the behaviors of Generation Y - less loyalty, what's in it for me - they should be considering mature workers," she was quoted as saying.

### **Callcentres.net**



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Hitachi Consultants - Re/Max - Adaptec - The University of Hawaii - City of Oakland - CNet  
Extreme Networks - Foundry Networks - NASA - Quest Diagnostics - Verizon - Shurgard - Muzak  
Sun Capital Partners - Old Republic Title Company - LA Weight Loss - Buffalo Sabres  
Raleigh Medical Group - Fort Worth Transportation Authority - Iimak - Warn Industries - CVUK  
American Title, Inc - Big Brothers, Big Sisters - McKenzie Sports - PremierWest Bank

#### **Long queues and touch tone menus send consumers crazy**

Offshoring is a concern, but technology intended to help the consumer could cause even more problems, according to a new survey from CC.

Companies reducing overheads by taking their contact centre contracts overseas, implementing new voice-recognition and touch tone technology and generally lowering staff levels, has been well publicized over the past few years. However, with claims that customer service levels have not suffered as a result, CC, an independent convergence integrator specializing in voice, data and contact centres, commissioned research to establish to what extent this was true, which aspects specifically caused the most concern to the consumer, and what measures could be put in place to address these issues.

Working with ICM\*, CC surveyed 1000 consumers (18+) in order to gain a better understanding of how the general public perceived contact centre performance. The survey asked respondents about the level of service they had received from a range of companies from different sectors (including financial/banking, cinemas, mobile phone and utility companies). It was not just service levels that they were asked about, but which aspects of the contact centre



experience were the most positive or negative, helping to give a full picture of the end-users' experience.

As one might expect, especially with the high-levels of press coverage around the subject, there was dissatisfaction surrounding offshore contact centres, particularly in terms of language difficulties encountered. However, surprisingly, the biggest concern was the long holding times and the technology introduced to make services better - but which are actually making the experience more frustrating.

Participants reported that at least 55 per cent of calls resulted in significant waiting times before they were able to speak to an operator, something that was true across all sectors, with 38 per cent of callers to banks/financial institutions finding this highly unsatisfactory. Hold times was the key factor that apparently caused the most annoyance for consumers, and although language difficulties with offshore centres is something that companies need to bear in mind, it is worth noting that consumers would seemingly put up with this if waiting times were not so long.

Another interesting figure from the survey found that 78 per cent of callers to banks and financial institutions were asked to select options by choosing numbers on their phones from a menu. This technology, introduced to make life easier for the consumer, has in fact caused more dissatisfaction than any other method, with 41 per cent of callers expressing dissatisfaction with this approach, which often failed to offer the caller their desired option. Similar levels of frustration were recorded for comparable technology. Voice recognition also caused frustration with the technology apparently unable to recognize regional accents, and again, not always delivering the options required by the caller.

Gene Reynolds, consultant at CC, argues that problems like these can be avoided if organizations use technology more effectively.

"The survey has brought up some really interesting results. As we expected there is a backlash against offshore contact centres, but the consensus of opinion against some of the solutions that have been brought in to make the consumer's life easier and cut costs is huge - it appears that some companies have been getting it badly wrong."

Reynolds continues; "Companies need to look at which aspects affect the consumer, and recognise that there are solutions out there that are effective in addressing these issues. There are tools in the marketplace that, if used effectively, can create a positive experience for the consumer, with zero impact on operational performance. Of course technology isn't always the panacea when it comes to customer satisfaction. Sometimes it requires a re-think around what the consumer is expecting when they try to contact your business. This survey indicates there is a clear dissatisfaction with consumers and contact centres. Businesses need to act now in order to prevent further erosion of the customer experience and eventual customer defection." **Contactcenterworld**



At TRG, we believe in happy endings.  
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## Inside TRG

In this regular column we discuss what is happening with The Taylor Reach Group, Inc. and with our related companies (Telepoll, Teleeffective and Scheduling Staff).

### New Clients, New Projects

Across the TRG group of companies we had a very busy summer and welcomed a number of new clients and projects. These clients include: American Express, Callaway Golf, Elsevier, Hanley Wood, Premcom, National Waste Systems and the VIP Group to name a few. For more information about TRG and the services of our related companies, please email John Cockerill at [jcockerill@thetaylorreachgroup.com](mailto:jcockerill@thetaylorreachgroup.com).

### Compendium of Contact Center Knowledge Volume 4- Early Bird Discount

We will be publishing our fourth annual compendium including each issue of Customer Reach© published in the past twelve month this fall. We have keep the price the same as last year \$69.95 (US or Canadian funds). But if you order yours before November 15<sup>th</sup> you can save almost 50%, advance copies cost just \$35.00 and you can pay by check, invoice, money order or Paypal (just email us you request and we will send you the payment link).

### Share with your Friends

This issue of Customer Reach© is being read by more than 5,500 senior call and contact center executives worldwide. We are always looking for new points of view and new subscribers, so please feel free to pass along you issue to you co-workers or anyone else who you think may appreciate it. You can also suggest they subscribe to receive their own copy they can do so at the following link [subscribe-taylorreach@v2.listbox.com](mailto:subscribe-taylorreach@v2.listbox.com).

### TRG Grows Again

Due to our recent growth and expansion TRG Is moving. Effective Decemeber 1<sup>st</sup>, TRG is moving to a new Head Office location at 19 Mercer Street, Suite 302, Toronto ON M5V 1H2. Our phone numbers will be changing also and we will let you know those numbers once installed, of course you can still reach John Cockerill at 647-271-4678 or Colin Taylor at 416-276-9068.

### \$50 - Compendium of Contact Center Knowledge Volume 3

104 page book is a compendium of 10 issues of 'Customer Reach' the call and contact center newsletter published by The Taylor Reach Group, Inc. 54% of readers have implemented change in their center employing ideas they first read about in Customer Reach.

Discounted from \$77.00. \$5.00 for shipping and handling. GST charges apply for Canadian orders..





## Case Study

*In this regular column we review the successes that TRG has been part of.*

*Assisted a Major bank to review its' Customer Interaction processes and identified more than \$5 million dollars of operational efficiencies*

**The Challenge:**

A national network of call centers, significant staff turnover, unhappy customers, uncertainty regarding the benefits of outsourcing and challenges associated with delivering the value they sought from their call center channel. These were some of the challenges facing one of the largest financial institutions in Australia when they began speaking to Colin Taylor.

**The Process:**

Colin and his team of consultants began at the beginning, a Strategic Assessment a full end-to-end review of each of the 'moving-parts' within the call center infrastructure. The sweeping engagement assessed the people in the call centers, their skills and competencies, the processes, procedures, operational methodologies, technologies, quality and service practices and business objectives. With a number of centers and thousands of agents this was a significant exercise in terms of scope.

**The Solution:**

The bank employed state of the art, best of breed technologies and had invested heavily in self-service and workforce management solutions. Their operational methodology was based on a very successful internationally accepted model...so what was the problem?

There were fundamental gaps in the process maps and invalid assumptions being employed in defining the objectives and means to attaining these objectives.

By vetting and re-engineering the process maps, procedures and operational methodology we ensured that the objectives of the organization could be met. In the process we streamlined the use and application of the existing technology and implemented a limited outsource relationship, both of which improved efficiency and reduced expense.

**The Result:**

The bank improved its customer satisfaction, reduced turnover and leveraged enhanced benefits from their technology investments. In addition they established an outsource relationship that allowed them better control on the call patterns arriving in their captive centers which improved the center performance, as well as employee morale. The re-engineering process improvement, leveraged technology and outsource combined to total more than \$5,000,000 in annual operational cost savings!





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