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Operational Indicators – Service Level & ASA

By [Turaj Seyrafiaan](#)

In the last issue we discussed one of the most important operational indicators: Average Handle Time or AHT. In this issue we continue with other operational indicators dealing with the efficiency of the center, i.e. “Service Level”, “Average Speed of Answer (ASA)” and “Occupancy Rate”. Although each indicator provides different information, they are inter-related and must be treated as a single group.

Service Level

Service Level – the most commonly used center metric – is defined as the percentage of contacts that are answered within a specified target time threshold. It is presented by two numbers such as “70 – 30”. The first number indicates the percentage of the calls, while the second number indicates the target time threshold in Seconds. The threshold is measured from the time that the calls arrive in the queue and does not include any time prior to that (e.g. time spent by the customers navigating the IVR menu). A 70 – 30 service level, means 70% of calls were answered within 30 Seconds.

In practice call centers set their overall target (both percentage of calls and the threshold) in conjunction with their Work Force Management (WFM) process in order to calculate their staff requirements and scheduling (more on that in later sections). A higher Service Level means faster service (answering the call) for customers. The actual Service Level – achieved percentages within that set threshold – is then reported on a daily / weekly / monthly report.

Service Level can be manipulated by an unscrupulous manager through reducing or ‘choking’ the incoming calls and by reducing lines etc. Remember service level is a measure of the percentage of calls answered within a defined timeframe measured over a period of time, so you must ensure that the period of time over which service level is measured is reasonable. When working with averages and service level is an average, the larger period of time over which it is measure the more periods that can fall below the target. For example service level measured over a 24 hour period can be missed for periods during the day and made up for during the evening or overnight period. Measured over a week could mean missing the service level Monday through Wednesday and making up the service level over the balance of the week.

A third factor or metric is often added to Service Level: that is Abandoned calls. Abandoned Calls can be defined as the percentage of callers who elect to hang up, or abandon, waiting in the queue and before an agent answers the call. A service level of 80/20/<3 would be answering 80% of the incoming calls answered within 20 seconds, with less than 3% of calls being abandoned.

Average Speed of Answer (ASA)

While Service Level indicates the percentage of calls that were answered within the set threshold, it does not provide any information regarding the remaining calls! In practice, even when reaching the target Service Level, it is possible for number of calls to spend significant (and unacceptable) amount of time in the queue without impacting the Service Level. For this reason, it is important to look at this indicator that represents 100% of the callers. Average Speed of Answer (ASA) is the average wait time (in the queue) for all the calls presented, in Seconds.

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Obviously a lower Service Level (lower percentage of calls or longer threshold) produces a longer ASA. Combined with the Service Level, ASA provides a more complete picture of the flow of the incoming calls. For example an ASA of 18 Seconds over 100% of calls received along with the Service Level attained of 80-85% (at 20 Seconds threshold) indicates a significant delay in answering calls beyond the first 20 Seconds and therefore very poor service for the remaining 15-20% of customers). This is the effect of a long tail of outliers in any set of observations. This outlier effect on the customers' view of the service is not intuitively obvious to many, both inside or outside the call center industry.

Occupancy Rate

Although not related to the customer wait time, Occupancy Rate is very much part of the WFM process and related to the Service Level. Occupancy Rate indicates the percentage of time that agents are occupied, performing call center activities (talking to customers and/or performing after call tasks). The inverse (100% minus Occupancy Rate) is the amount of time that agents are waiting for calls to arrive, also called Availability. It is easy to see that a higher Occupancy Rate indicates a more efficient call center (in terms of Work Force Management and labor costs), however, Occupancy Rates in the high 90% range also indicate extreme work load on the agents (leading to fatigue, poor performance and eventually high turnover) as well as lower Service Level (longer wait time for customers). Low Occupancy Rate on the other hand could indicate poor planning and/or scheduling (too many agents waiting for calls to arrive). Low occupancy can also lead to poor moral and agent dissatisfaction. The art of the Work Force Management process is to create a balance between the Service Level and the Occupancy Rate. Practice shows that for most (though not all) centers an Occupancy Rate of between 75 to 85 percent is optimal.

Target Service Level

Many contact center managers simply assume that a target Service Level of 80 -20 is the industry standard and therefore use that as their own target. While this may be the most common service level for customer service call centers, the fact is that there is no industry standard for the Service Level. Each center must set its' own target based on its' own customers' expectations (mainly) and budgetary / staffing limitations. While there are centers that feel a 90 -10 results (90 percent of callers are answered within 10 Seconds) is not good enough for their particular sector. There are other centers that can reach an excellent customer satisfaction with 80 – 30 or even 70 – 30! (Setting the threshold target beyond 30 Seconds for customer service/support applications is not Recommended) Keep in mind that this is the time in the queue only and a customer may have already spent additional time in the IVR.

Other centers such as 911 or emergency set their standards as 100 – 3. If you are calling with an emergency then that level of service is appropriate. Similarly technical support centers often have target service level wait times of 3 to 5 minutes for free support. Once again, this is appropriate. Each center must define what is appropriate for their center and their customers. Your service level targets also have to be reasonable. There is no sense setting a target that is clearly not achievable. Targets must be reasonable and when they are not met the center manager must report on why the targets were not met!

Work Force Management (WFM)

We need to understand how these indicators are used in conjunction with the WFM process. In brief WFM is a series of activities related to forecasting call (and/or contact) volumes, and scheduling required and appropriate staff. Part of this process involves using Erlang formulas to calculate the required number of staff for a given forecasted call volume. The main equation (Erlang "C") has 4 variables; a) Call Volume, b) AHT (total of Average Talk Time and After Call Work), c) Target Service Level and d) number of Agents.

The equation requires 3 out of 4 specific inputs while calculating the 4th one. In practice a user provides volume (based on forecasting), AHT (based on history) and target Service Level (based on center's long term strategy) to calculate the required number of agents for any given staffing period. If, on the other hand, the number of staff is fixed (or has a limited range) the equation can be used to calculate the potential for the Service Level.



Erlang “C” Equation can also provide theoretical “ASA” and “Occupancy Rate” based on the provided inputs. Using a simple Erlang Calculators (which can easily be found on the internet for free) one can experiment in determining what should be the appropriate target Service Level.

But WFM is more than simply employing Erlang to determine your agents for a day-part. You must also schedule lunches, breaks, scheduled trainings and vacations, and deal with the 2-3% of staff that will not show up for their shift. If you do not account for all of the above in your schedule then you will not have the correct number of agents available when the forecasted calls are received and the center will miss the service level target.

Improving Operational Results

How does a center improve its results as they relate to the Service Level? The most effective approach is a robust WFM process. A competent WFM approach can provide the best and most achievable solution for the forecasted call volume. A well developed schedule ensures the adequate number of agents are available for any given period matching the requirements for achieving the target Service Level. Having said that, we must realize that nothing within a scheduling process can compensate for poor forecasting / planning or unrealistic AHT or Service Level expectations!

While a detailed schedule relies on an accurate forecast to deliver the number of calls, it is up to the agents (and management) to follow the schedule and be available for those incoming calls as predicted. Hence the emphasis on “Adherence” to schedule but that is another story all together.

Lastly, even with a great plan (forecast and schedule), call centers must be capable of tactical adjustments to their operations during the day as incoming call pattern for the day unfolds. An experienced WFM manager with focus on “Intra-Day” adjustments can significantly (and positively) influence the final outcome for the Service Level and the Occupancy Rate.

A little known tip is to use the doubling point to know when, where and what adjustments to make. This is the point of any day where half the calls have arrived. This is derived historical norms for each day of the week. What point of each day has half the volume arrived? Are there the right agents doing the right activities? What adjustments can the center management make?

Balancing Act

Service Level, ASA and Occupancy Rate all provide a view of how efficiently a center is operating. While Service Level and ASA focus on the wait time for the customers, Occupancy Rate is an indication of the wait time for the agents (waiting to receive a call). An experienced WFM manager (or a contact center manager) can provide a balance between needs of the customers (i.e. better Service Level) and needs of the organization (i.e. higher Occupancy Rate) while staying within the boundaries of the center’s limitations such as operating budget and resources.

In the next issue, we will discuss the financial indicators such as Cost per Call (or Cost per Minute) and overall operating expenses.

Let us know what you think of this article, please visit www.thetaylorreachgroup.com or send us an email at

info@thetaylorreachgroup.com.



Sometimes you Can’t Win for Losing – Why Alignment is Key

By [Colin Taylor](#)

Sometimes it seems you can’t win for losing. I had the opportunity yesterday to call Bell Canada to assist a client with some routing changes on one of their toll free numbers. There were some questions as to which carrier had the number. Then after some back and forth we unearthed a Bell bill with the 800 # in question listed. “Ah ha!”, said I, “Now the rest of the work making the routing change will be easy”. How wrong I could be, would be proven out over time.



As there was no business number to call identified on the Bell bill I called the main call center number (310-BELL). No I have had previous dealings with Bell call centers and some particularly poor interactions with some centers when the calls were offshored so I did have some trepidation as I dialed the number. The call was answered quickly, and the women who I spoke with did a great job listening, asking probing questions and restating my requirement. I was placed on hold twice, both times after asking permission, so she could look up the account and ask her Supervisor for guidance. When she returned to the call she informed me that she could not assist me in making the routing changes and that I would have to speak with the account team assigned. She suggested that she would transfer me to the account team and provided me with the phone number in case I had to call back. This was going quite well and the call had been a pleasure.

Once I was transferred the problems began..."Sorry this mailbox is full, please call back later", click and I was disconnected. After more than 10 minutes getting this far, I wasn't happy with that outcome. And without any other options since I couldn't leave a voice mail I called the original call center back. Once again a polite, professional agent spoke with me and after I recounted my story to date, she put me on hold to research the problem. When she came back on the line she sounded as amazed as I was that the only number she could find to give me was the one with the full mailbox. There was no email address or other points of contact.

Despite our escalations and best efforts, we were unable to get the desired routing changes made. Instead we were told to "forward the calls to the number you want them to go to" by the agent, my response about 'double toll' feel on deaf ears. They just didn't get it, they didn't have the training perhaps or access to a knowledgebase. Regardless this cost them a customer.

The final resolution after a week was to Respong the line to another carrier.

This episode shows not just dangerous not having your service groups aligned is...the call center and the Account Team; but also how a gap or absence of training or knowledge can cost you business. This is an important message for all of us to remember in our own centers.

Inside TRG

John Brennan Joins Taylor Reach Team

On June 3rd, we issued the following press release to announce that John Brennan has joined the Team. John Brennan previous worked with Colin Taylor, Deborah MacAskill and John Cockerill at Watts Communications. Watts is now part of Davis & Henderson.

Call Center Consulting firm Grows Again- Contact Center Veteran John Brennan joins the firm

Toronto- Mr. Colin Taylor, The Chairman and CEO of The Taylor Reach Group, Inc. today announced that John Brennan has joined customer service consulting firm effective immediately.

John began his call center career with Watts Communications Inc., now part of (Davis & Henderson) in Charlottetown, Prince Edward Island in 1996. Beginning as agent and quickly progressing through the ranks; John became the Center Manager in 1999 and was promoted to Vice President in 2006 with responsibility to oversee the 4 Atlantic Canada centers

In joining The Taylor Reach Group, Inc. John is reunited with Colin Taylor who was the President and CEO when John was hired at Watts. John joins other former Watts alumni John Cockerill and Deborah MacAskill.

"John has built a reputation for integrity, honesty and high quality, insightful call center leadership and relationship building and management skills. We are honored to have John as a part of our team at the Taylor Reach team", said Taylor. "his skills, experience and outsource management expertise will afford Taylor Reach clients with a greater depth and breadth of services and expertise"

"What attracted me to The Taylor Reach Group, was their business model and their passion for helping clients achieve success. Having worked with Colin before I know his expertise and his commitment to helping his clients to succeed and I am excited about working with such a committed and talented group of people, and realizing the potential of our working together" said John regarding this agreement.

John brings additional operational management and outsource experience and knowledge to the call center consulting firm that has been growing at a rapid rate. A key to the company's continued growth according to Mr. Taylor is "offering strategic and tactical consulting



based upon years of proven experience, that delivers superior and breakthrough results for our clients. We only partner with recognized experts, like John, because our clients expect nothing less. Our staff's in-depth knowledge, proven results and all together more than 250 years of call center operational management experience resonates well with our customers, and in turn delivers superior results to our shareholders. John's years of experience, successful track record and the quality of work he completes fits very well with the Taylor Reach model".

"We are so confident in our capabilities that they back their work with an ROI (Return on Investment) guarantee", says Taylor, "When we make a recommendation and our clients ask us to implement it, we guarantee a 300% Return on Investment. In more than four years offering this guarantee, we have yet to pay for not meeting or exceeding this goal."

"Taylor Reach has recently signed new agreements with clients in the environmental, energy, retail and service industries", Taylor said.

To contact John you can send him an email to jbrennan@thetaylorreachgroup.com or phone him at 877-979-8692 ext 213

TRG attending Call Center Week

Colin and John will be attending Call Center in Las Vegas at Caesar's Palace June 14 to 18th if you are interested in meeting or getting together during the conference just drop John or Colin an email. The following is an excerpt from the conference website.

Building on the success of our inaugural **Call Center Exchange**, we now present to you the **Contact Center Exchange**, being held June 13 – 15, 2010 in Las Vegas, Nevada. As 2010 reveals itself to be a year for transformation within call centers, executives are incorporating more social media and technology into strategy, looking at outsourcing trends as a means for reducing costs, and developing a more proactive strategy for addressing customer concerns. Call center executives are sourcing knowledge, tools and solutions that allow them to meet the challenges of an evolving industry while still focusing on core competencies such as agent management, increasing in customer satisfaction and overall optimization of contact center operations.

Join your peers at the **2nd Contact Center Exchange** to discuss growing trends and emerging ideas that will assist you in re-engineering a strategy that reflects the economy and the latest technology, while increasing the quality of service to meet the needs of your customers.

For more information on the conference [click here](#)

6th Annual Call Center Conference and Expo in Istanbul








Colin Taylor will be speaking at the upcoming 6th Annual Call Center Conference and Expo in Istanbul, Turkey, Oct 25th and 26th. Colin will be speaking on Strategy and specifically on "Customer Roadmap, Customer Experience and Customer Satisfaction: Planning the Journey and Executing the Plan. For more information on the conference click on the following link

<http://www.istanbulcallcenterexpo.com/index.php?page=index&lang=eng>

TRG Sponsoring ContactBabel the US Contact Center Decision-Maker's Guide

The US Contact Center Decision-Maker's Guide, the major, primary research-driven report about the US's contact center industry is to be published this fall. TRG is pleased to once again be a sponsor of this high quality report, "This is likely the highest quality report available to most call and contact center operators on the US contact center market", said TRG CEO Colin Taylor.

Drawing upon years of primary research and analysis, ContactBabel has identified contact centers' seven greatest business concerns:

-  Improving Quality and Performance
-  Maximizing Efficiency and Agent Optimization
-  New Media and the Customer of the Future
-  Increasing Profitability
-  Choosing a Location
-  HR Management and Improvement
-  Choosing a Strategic Direction

This 250 page report will be available in Q4, 2010. If you are interested in receiving a copy please contact Colin Taylor or John Cockerill.



Guaranteed ROI

THERE CAN BE A LOT OF QUESTIONS REGARDING YOUR CONTACT CENTER

Are our service levels competitive? Why is our turnover so high? How can we increase revenue generation? What new technology will improve our effectiveness? What do our customers think of our service? How do we measure up against our competitors? How do we make customer service a strategic asset? Should we consolidate our contact centers? How can we improve the accuracy of our forecasts? Can we improve performance and reduce costs? How can we increase first contact resolution? Should we be looking at outsourcing? How do we select a new location for our contact center? Would 'home agents' improve our performance? How happy are our channel partners with our service? Have we optimized our contact center processes? Are we measuring the right things? How can we deal with rapid growth in contact volumes? How do we improve efficiency? Will our disaster recovery plan work? How can we support the new sales/marketing initiatives? Are we fulfilling our Mission Statement through our contact center? Are we doing the right activities in the contact center? Can we automate the contact center and keep the human touch? Will our customers accept speech recognition instead of a live agent? Are our wait times reasonable? How can we improve agent productivity? Is occupancy the best measure for agent performance? How satisfied are our agents? Are we staffing the center appropriately? How can we improve the customer experience? How much wrap up time do our agents need? How can we cost justify the new technology we need? How do we reduce costs?

Call the Taylor Reach Group, Inc (TRG) today and see what leading companies from the around the globe already know...TRG has the answers to your contact center questions
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HAS BEEN TRG

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With our move to our new location (55 Nugget Ave, Suite 217, Toronto ON M1S 3L1), we have upgraded our telephone system. Our new hosted pbx provides seamless call management for all consultants regardless of their location. So if you need to contact one of the Taylor



Reach team you can call them on our toll free number 877-979-8692 and enter their extension number. If you are looking for assistance or would simply like to discuss what we could do to assist you with your contact center here is the list of our senior consultants and their extensions;

Colin Taylor -	Toronto	ext- 200
John Cockerill -	Toronto	ext- 201
Turaj Seyrafiaan -	Toronto	ext- 211
JD Fairweather-	Atlanta	ext- 204
Gloria Kurant-	New York	ext- 206

Call Center Optimization Forum

On June 3rd CCNG brought the Call Center Optimization Forum to Toronto. More than 30 call center professionals joined David Habobas of CCNG and speakers including Penny Reynolds (Call center School), Mohan Nair, Patrick Botz (VPI), Bob Webb (Pipkins), Erich Dietz (Mindshare) and Neil Crane (Cicero). There was good audience involvement, participation and some great dialogue between the attendees. All those who attended also received membership in CCNG and form the basis of a new community in Toronto.

CCNG has over 20 online networking groups for call center, contact center, customer service, customer care and customer experience professionals. Member access is limited to the CCNG corporate partners and to our contact center management members.

CCNG is planning on holding another event in Q3 later this year. If you are interested in finding out more about this event or hosting this event please email Colin Taylor to receive information as this event.

Case Study

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

Assisted an Environmental organization to overhaul and revise its service delivery nationally

The Challenge:

This well known environmental organization was charged with managing a national program to remove environmentally unfriendly products from the environment. Both Financial and non-financial rewards were available to participants who completed the process. While most of the inquiries and even enrollments could be made over the web the call center function was still of critical importance to ensure enrollees completed the process. In an effort to share responsibilities and to engage people nationally a distributed network of eight call centers were established across the country, all operated by local non profit and charitable organizations. Unfortunately the centers employed disparate processes and procedures, some of which were required to support governmental requirements. In addition the centers only operated during business hours and after hour calls were directed to voice mail. With a view to improve the operational effectiveness and throughput through the process Colin Taylor and his team at the Taylor Reach Group were asked to help them with this task.

The Process:

Colin and his team of consultants began at the beginning, visiting each of the eight centers, mapping major processes and documenting improvement opportunities. Stakeholder interviews were held, calls were recorded and monitored.

The Solution:

The Taylor Reach team surfaced a number of improvements to service quality including; employing an outsourced call center provider to handle calls during off (non business) hours, weekends and even in overflow situations where the local center had no availability. In addition a new communications model was developed to improve communications with the participants in an environmentally friendly manner. The communication plan was designed to improve participant communication and reduce the number of enrollments abandoned and left incomplete.

The Result:

With the introduction of the outsourced call center hundreds of additional calls were able to be handled each day, with voicemail eliminated to local centers were able to deploy additional resources on serving customers instead of chasing their voicemail messages. The new communications strategy by email and automated outbound improved the connectivity between the organization and participant,



improving speed to completion and customer satisfaction



Testimonials

“Colin's years of Call Center experience have resulted in him becoming one of the premier experts in this field. He has helped countless companies improve their Call Center and Customer Service processes, and his monthly Newsletter provides valuable information and advice for all of those who are lucky enough to subscribe. In one place, you can find industry happenings, statistics, advice on problems/questions, case study information and much more. It's invaluable, and an easy on-line read, which makes it even more valuable in my view. I would recommend contacting Colin if you find that you are having problems providing the service you want in your call center. Although his business is recommending and providing call center solutions, he will not hesitate to be honest with you and tell you that with a few changes, you can manage everything on your own. This is an honesty that I value highly.”

Senior Customer Service Executive, Readers Digest Asia

“Colin is one of the leaders in the Contact Center industry. He really understands the key drivers of this business. He always showed me a better way to understand each side of this very complex business. He really helped me to develop my knowledge and view of Contact Centers.”

EDS

“Colin's vision, direction and management style was motivational and inspiring as he grew the business. Working along with him on many new and exciting ventures I admired his ability to build strong relationships with customers and suppliers, his strategic and visionary thinking, business savvy, and his supportive nature for his employees.”

Customer Care Manager, BMO

“John was retained by Advantex to lead a prototyping effort to outsource the sales cycle of a new business concept. John and his team worked diligently on this Proof of Concept, proving that business could be sold over the phone; this was an important step forward for Advantex, in terms of validating the opportunity to decrease the cost of sales, as well as confirming that it was a viable alternative to feet on the street. John took a complex offering, which worked in person, and broke it down to a workable over-the-phone pitch. John was a pleasure to work with every step of the way on this POC.”

VP Advantex

“Colin's depth of knowledge greatly enhanced the results. His recommendations made good business sense, and created a good outcome for the company and the employees. I trusted the research and the deliverable he and his company provided in a timely manner.”

Customer Service Executive, Rodale

“Colin understands the complex service requirements needed to support large multi-channel companies and he is able to articulate those needs to a range of audiences. Once the needs are defined, Colin has the ability to create a roadmap and structure for a given project, communicate the plan effectively, and deliver the desired results within the defined timelines. Colin is a creative thinker and has deep industry knowledge that would make him an asset to any company that engages in his services.”

Senior Contact Center Executive, Best Buy

“John is a true pleasure to work with. A leader, in every sense of the word. John has the ability to motivate, guide, and instill confidence - All within a 3-4 minute phone call. You can always depend on John to give a swift and direct cure to any dilemma you may get stuck in.”

Outsource Service Provider



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Award winning service and more than 200 years of industry experience serving 'Fortune 1000' companies. Extensive North American and International experience with both captive (in-house), remote agent and outsource centers. More than 14,000 agent desktops worldwide employ TRG designed operational business models.

Delivering Operational Innovation to your Contact Center

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- Customer Satisfaction Consulting,
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- KPI and Best Practices,
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- Quality Monitoring & Assurance,
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- Total Cost of Ownership Assessments,
- Service to Sales Migrations,
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- Site Location Selection, Analysis and Research

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