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whitepaper

Evaluating Evaluations
Creating the Mission-Driven Scorecard

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Over half of all contact centers use some type of grading form to evaluate the call handling and customer interaction skills of agents. These evaluations (also known as agent audits or scorecards) help supervisors coach agents to perform his or her duties more efficiently and more effectively. Evaluations are normally performed monthly, based on established key performance indicators (KPIs).

The agent evaluation process, like other contact center programs, is evolving with the changing mission of the contact center. Contact centers are becoming complex micro-businesses within a business. Management expects contact centers to deliver memorable customer care while at the same time generate revenues; all the while keeping operating costs to a minimum. The intent of this paper is to explore ways to implement more effective agent audits in view of this highly fluid and dynamic environment.

There is a temptation in any occupation to continue doing things the same way because "that's how it's always been done." Contact center management is certainly no exception. Scorecards can easily become institutionalized. Monitors and agents are familiar with them and a vast data store of past evaluations provides for easy trend analysis. The first thing to consider should always be how do the things we measure contribute to achieving the broader goals of the enterprise? The goals of the organization are typically spelled out in a formal business plan. They include both quantitative and qualitative objectives. In larger companies these broad goals are translated into specific actions by each department or business unit and then filter down to operating groups like the contact center. For example, if the contact center reports directly to a marketing executive the goals will likely include sales targets, market share, gross margin, customer growth, customer retention, and customer satisfaction. If the contact center reports to an operations department, then the goals may be more focused on cost control and productivity. In any event, contact center management has the responsibility of identifying corporate and departmental goals then developing KPIs and evaluation criteria that directly support the achievement of these goals.

Four Basic Goals of the Contact Center
All contact centers have four basic goals, although the emphasis will change with the type of organization:
1. To delight customers
2. To increase revenue
3. To minimize operating costs
4. To provide valuable business insights

Customer Delight – Simply "satisfying" callers is not enough. A recent study reported that 80% of defecting customers were "satisfied." Delivering memorable service quality means exceeding expectations. Organizations that tout their service quality as a competitive ad-vantage, or market high value products or services, require a higher satisfaction threshold. Customer delight is in the eyes of the customer. The only KPIs that have been empirically

proven to correlate with customer satisfaction are first contact resolution and agent satisfaction. Satisfied agents produce satisfied customers. Call quality is also a reflection of an agent's soft skills, such as product knowledge, courtesy, professionalism, empathy, and clarity.

Ideally, customer delight should be measured from the caller's perspective, not inferred based on the agent's or the supervisor's opinions. Only the caller knows if the interaction met expectations. Contact center personnel consistently rate their call quality higher than the callers themselves. There are more options available today than ever before to incorporate a "voice of the customer" feedback program into the quality assessment program.

Contribution – Agents contribute to revenue growth by identifying sales leads in the CRM system and by probing for up-sell and cross-sell opportunities. Independent research shows that it costs five to ten times as much to replace a customer than prevent their defection, often by empowering agents to take actions to retain a customer like granting free minutes or waiving late fees. Customer lifetime value (CLV) is a new concept that recognizes the aggregate contribution of a consumer over the period of time they remain customers. As the first line of defense, agents can have a significant impact on customer loyalty and consequently CLV.

Performance – Performance metrics are the typical KPIs generated by the ACD and workforce management system intended to minimize operating costs. In developing the agent scorecard it is very important to choose only metrics that the agent can realistically control. Metrics including service level, abandonment rate, occupancy, time to answer, queue length, calls per hour, and time-to-answer are largely a function of scheduling, traffic volume, and adequacy of equipment. Even cost per call is largely outside the agent's control. Attendance and punctuality are (for the most part) controllable by the agent, as is handle time and screen efficiency.

The agent's ability to quickly and accurately navigate screens effects handle time and error rate. HigherGround, Inc. is among the growing number of recording vendors that enable contact center management to monitor both voice and data interactions.

Parkland Health and Hospital System has provided community healthcare services to the residents of Dallas County, Texas, since it was established in 1894. The contact center handles 3,000 calls a day – with more than 500 of them coming in the nurse advice line. When people are calling about health issues there is no room for mistakes. Nurses and cross-trained clinical personnel need to know a great deal about health issues and be able to use the database resources available to them. The hospital system records all calls on the HigherGround, Inc. Praetorian recording system. They also upgraded the system with HigherGround

Mentor™. Mentor includes a screen capture feature that tracks screen activity in sync with the call. Supervisors can live-monitor or playback both voice and screen actions. This has been very valuable to Parkland. Sheila Cook-Dolciame, director of contact center operations, said "The screen capture feature is wonderful. It has added eyes to our ears. We can now see what agents are doing on their computer screens at any point in the call."

Performance is not just about numbers. Compliance is a very important part of the equation. In sales transactions and collections there are mandatory disclosures. Agents must refrain from making commitments (delivery dates, claims settlements, financing terms, and concessions) unless they are fully authorized to make the promise. Some organizations require specific opening and closing statements and strongly encourage probing questions to identify sales prospects. Similarly, there are certain things agents should never say. Compliance is evaluated by scanning recorded interactions. No contact center has enough people or time to listen to all calls. Fortunately, there are speech engines that can quickly and accurately interrogate thousands of hours of recordings by searching for the key words and phonetic phrases that confirm an agent said what he or she was supposed to say.

Business insights are a special case. There are no established metrics like "average number of brilliant discoveries per day" or "customers saved through heroic actions by contact center agents." But this should not be a reason for omitting agent observations from the scorecard. From senior management's perspective a heads-up about potential quality problems, insights about the causes of customer defections, or fresh information about competitor actions could well be the most valuable "KPIs" to flow from the contact center. Agents should be encouraged to record or otherwise flag calls that could be of interest to others in the organization, email calls, conference in supervisors, and share insights during meetings. It is up to contact center management to make sure the information is shared with senior management and appropriate department heads.

Selecting the right metrics
Metrics can be collected for all four of these categories. Data sources are ACD metrics, voice-of-the-customer applications, quality monitoring ratings, workforce management system, CRM/sales automation, custom output produced by performance management software, pro-active agent-initiated communications, and speech analytics reports.

The following grid provides examples of measurements for each broad contact center goal. Note that the grid includes only performance measures that are controllable by the agents.

Figure 1. **Evaluation Measures by Contact Center Goal**

Customer Delight	Contribution	Performance	Business Insights
Top box customer satisfaction	Leads generated	Adherence	Model calls saved
Knowledge	Customer saves	Average handle time	Messages to supervisors
Agent satisfaction	Sales per agent	Attendance	Meeting contributions
	Up-sell attempts	Compliance	Comments during coaching sessions
First contact resolution	Cross-sell attempts	Error rate	
Call handling skills	Customer lifetime value	Screen skills	Speech analytics reports

Creating the Evaluation Form

The "balanced scorecard" weights rating measurements in proportion to their importance to achieving the goals of the contact center and the broader enterprise. There are no rigid rules about how these forms should be structured but here are a few basic guidelines:

Keep it simple – Contact centers are awash in numbers. For scoring purposes disregard any that are not directly reflective of customer delight, contribution, performance, or business insights. The old adage about what gets measured gets managed is alive and well in the contact center industry.

Time is the most valuable of contact center resources. Completing the forms should not be a major undertaking by supervisors or QA specialists. The scoring system needs to be easy to understand and easy to implement. Contact centers often use a point system for rating each call attribute, using 10 or 100 point scales. A 10-point scale is easier. You can explain why a "5" instead of "8." It's a lot harder to explain an "82" versus a "69."

Include both subjective and objective information – It is easy to rely on ACD data. The information is readily available and irrefutable. However, less easily measured attributes like knowledge, empathy, courtesy, professionalism, sales skills, and compliance are just as important, perhaps more so, in today's modern contact center.

Use weights that reflect the contact center's primary missions – This is pretty basic but it is tempting to continue legacy processes even when the mission changes. Changing weights hinders historical comparisons, but it makes no sense to keep the same system in place when it no longer reflects current realities.

Figure 2 provides a model a scorecard that incorporates the four basic goals of every contact center.

Figure 2. **Model Weighted Scorecard**

	COST-ORIENTED	SERVICE-ORIENTED	SALES-ORIENTED	MARKET-ORIENTED
Customer Delight				
Score	7.50	7.50	7.50	7.50
Weight	15%	50%	25%	35%
Weighted score	*1.13*	*3.75*	*1.88*	*2.63*
Contribution				
Score	4.70	4.70	4.70	4.70
Weight	10%	15%	55%	20%
Weighted score	*0.47*	*0.71*	*2.59*	*0.94*
Performance				
Score	8.60	8.60	8.60	8.60
Weight	65%	30%	10%	15%
Weighted score	*5.59*	*2.58*	*0.86*	*1.29*
Business Insights				
Score	4.90	4.90	4.90	4.90
Weight	10%	5%	10%	30%
Weighted score	*0.49*	*0.25*	*0.49*	*1.47*
Total weighting factors	100%	100%	100%	100%
Total weighted score	*7.68*	*7.28*	*5.81*	*6.33*

The model considers four different contact center orientations;
Cost-oriented centers are primarily concerned with efficiency. Operating at the lowest possible cost is the primary goal so performance measures get the highest weight (65% of total score). However, no contact center can ignore the other three goals so we apply some weighting to these as well.

In **service-oriented centers** delivering customer delight is the highest priority and is weighted at 50%. Performance measures factor in to customer delight and are weighted at 30%. In this case, contribution and business insights are lesser priorities and are weighted accordingly.

Sales-oriented contact centers are viewed by management as extensions of the sales function. The primary purpose is to generate leads and close sales. These may be inbound, outbound, or blended environments. This category also includes collections centers. Contribution metrics are weighted at 55%.

Market-oriented contact centers typically report to a senior marketing (not sales) executive and are most common in businesses and non-profits that serve consumers. Organizations with a marketing orientation recognize that understanding the consumer is paramount to growing revenues. These companies leverage superior customer care as a competitive advantage. Since the focus is more on understanding and satisfying customer needs than cost reduction or generating immediate revenues, higher weights are applied to customer delight and business insights.

The model is based on a 10-point scale. The composite ratings for each category are derived from the individual rating scales for various KPIs and subjective ratings. Examples are customer satisfaction (third-party based or supervisor-inferred), adherence, handle time, and others. The result is a balanced scorecard that accounts for all the goals of the contact center and reflects the relative importance of each goal to the broader scheme of things.

Implementing more effective evaluations

Creating a grading form that reflects the priorities of the organization is the first step to streamlining the evaluation process. The following are some good tips for implementing and administering an agent grading system:

Record all calls

The average contact center agent handles about 1,300 calls each month. Over the course of a year a 200-agent contact center will handle 3.1 million consumer calls. What a rich treasure trove of valuable consumer information! Hidden within this massive data base are answers to questions that corporate marketing departments spend hundreds of thousands – even millions - of dollars to find out through third party market research. Consumers are telling us what they like and don't like about our products and services. They are telling agents about how they learned of new promotions, why they chose to buy, why they would buy again, or why they are switching to a competitive brand or service provider. Many callers are volunteering new ideas that could result in highly successful new products or services. Some are telling agents about problems they have experienced – serious problems that could result in litigation if not immediately brought to the attention of senior management.

Contact center managers, preoccupied with day-to-day operations, often overlook the immense strategic value of the information they are getting every day. This is information that can change or reinforce the way their employers sell, price, and support the company's products and services. The data can only be mined if it is first captured and stored. Speech mining tools can wade through thousands of hours of recordings, searching for important data and interrelationships.

Evaluate coachable calls

Even the best-run contact centers sample no more than 2 – 4% of agent calls per month for quality evaluation purposes. With such a small sample to work from it is important that the calls selected for review represent coaching opportunities. Recording systems can be programmed to retrieve calls that meet some threshold such as call length, number of transfers, wrap-up, or hold time. This is another reason to record all calls. The evaluator can draw from the entire record of agent interactions. While the necessarily small sample is still not statistically significant, at least the supervisor has the opportunity to share coaching tips and acknowledge good work from handling the more difficult calls.

Use role-grading forms

Many contact center environments use skills-based routing. Instead of one large contact center where every agent handles any query that comes their way, the contact center is actually a collection of mini-contact centers where agents have special skills, such as closing sales, understanding different languages, or in-depth knowledge of specific products and services. Scorecards for skilled agents will use different measurements but can follow the same structure outlined in Figure 1.

Enlist agent support

Whether implementing scorecards for the first time or have been using them for years you need agent support. Agent input should be solicited and good ideas implemented. They need to understand that the process is intended to help them develop their skills and is not a substitution for formal performance evaluations. It is good practice to reward superior performance with financial incentives or at least public recognition. Model calls should be added to the training libraries and used to illustrate how challenging calls can be effectively handled. Many contact centers encourage agents to perform self-evaluations. Don't be surprised if agents are harsher on themselves then supervisors. Peer evaluations should also be encouraged.

Incentives that reward superior experience are also a good way to mitigate the "Big Brother" aspect of frequent evaluations.

> Virgin Mobile Ltd is a global mobile phone service provider. They have operations in the United Kingdom, Australia, Canada, South Africa, the United States and France. Virgin is one of the most recognized brands in the world, most notably Virgin Airlines. The company is led by the indomitable Sir Richard Branson. Virgin Mobile is most definitely a market – oriented company. Unlike most wireless providers, Virgin does not own its own facilities. They rely on their popular brand name and exemplary customer care to gain market share against competitors. When the Australia Division launched its agent audit program managers knew they had to earn the commitment of agents. To help overcome the "Big Brother"

syndrome Virgin Mobile encouraged their agents to submit model calls for the "Champagne Moment" contest. Once a month they handed out the award and gave the agent a $150 bonus. All the agents listened to the winning calls and went on to earn their own Champagne Moment award. Finally, many contact centers have implemented an appeals process to give agents a forum for disputing what they may believe are unfair or inaccurate evaluations.

Use voice annotations

Some recording systems allow voice annotations to the calls. This is a useful tool for busy evaluators who can review calls when they have time and issue comments for later discussion with the agents.

Hold frequent calibration sessions

Quality scoring is inherently subjective. How, exactly, do you score such intangibles as product knowledge, courtesy, listening skills, and professionalism? Performance on soft skills is largely in the eye of the beholder. This leads to inevitable agent complaints of inequity and favoritism. The calibration process seeks to remove or at least minimize variation in the way that different evaluators score the same attribute. Evaluators, be they QA specialists or supervisors, meet periodically to listen to the same recordings, usually 5-6 from different agents. After listening to each call they individually complete the rating form and explain their gradings to the group. A facilitator leads the discussion of each evaluation, seeking to resolve large disparities and build consensus on the best criteria for basing these subjective judgments. These sessions should be repeated periodically until the variation between scorers meets a stated target, ideally 5–10% from the mean.

Use objective means for collecting "voice of the customer" feedback

If customer delight is a priority then it is essential to use an objective method for collecting customer satisfaction data. The best tools gather feedback immediately after the call and track feedback to specific agents. Site-based systems use automated IVR and web tools. These are highly superior to telephone and mails surveys – which are slow, expensive, inaccurate because of small sample sizes, and incapable of tracking back to specific agents. There are also a number of service bureaus that provide customer satisfaction tracking services.

Summary

Generally speaking, every contact center has four basic functions;
1. To delight customers
2. To increase revenue
3. To minimize operating costs
4. To provide valuable business insights

The relative importance of each of these broad goals varies with the nature and orientation of the enterprise. It is essential that contact center management understand corporate goals of the enterprise and marketing strategies. Businesses that sell commodity products based largely on price will want the contact center to operate at the lowest possible cost, even is that means some concessions in service quality. Businesses that seek to differentiate their products and services will be more supportive of contact centers that excel at service delivery and the collection of valuable business intelligence.

Given the dynamic nature of today's business environment, shifts in goals and strategies are a fact of life. Agent evaluations, like every other process in the contact center, needs to reflect and support the changing priorities. Evaluation forms can be structured around corporate objectives. This has three very important advantages;

- The contact center is on "the same page" as everyone else,
- The process is dynamic - not static, and
- Everyone in the contact center, from the director to the newest agent, recognizes that the forms really do make sense and personal goal achievement is essential to enterprise success.

About the author
Dick Bucci is Senior Consultant for The PELORUS Group where he specializes in contact center technologies. Dick has over thirty years of experience in the telecommunications industry. He has authored seven in-depth market research reports on workforce optimization applications. His articles and observations have been published in *CRM Today, Contact Center World, Communications Convergence, CRM Magazine, Call Center Magazine, Contact Professional, Call Center News, Speech Technology, Workforce Performance Solutions* and several other trade and business publications.

About HigherGround
HigherGround, headquartered in Los Angeles, CA, is a developer of call recording software, monitoring solutions and reporting tools for call centers. HigherGround's proven solutions provide business intelligence for sound decision making and bottom-line control for compliance monitoring, risk management and performance improvement. For more information visit: www.highergroundinc.com.

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