WNS
Extending Your Enterprise

A Practical Guide to Tackling **4 Tricky Challenges in Workforce Management**
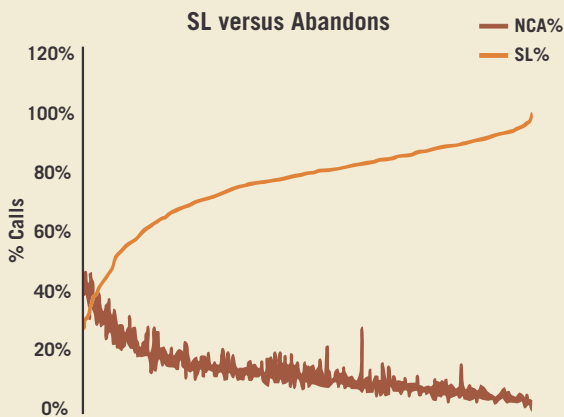
Key Contact Center Metrics

Service Level (SL): Every call center runs on a certain goal for 'Service Level' (SL in contact center parlance), which is simply a measure of percentage of total incoming calls handled within a certain time. SL is essentially a measure of the Turnaround Time (TAT). For example an SL of 80 / 30 requires 80 percent of the incoming calls to be answered within 30 seconds.

Abandons: This is the percentage of the total customers (incoming calls) who hang up before the call is answered.

Relationship between SL and Abandons:
SL and Abandons are inversely proportional. The higher the SL the lower is the abandon rate, as shown in the graph below:

SL versus Abandons

Source: WNS data

Average Speed of Answer (ASA): Measures the average amount of time the callers wait in queue or on hold before their calls or chat requests are answered.

Customer Tolerance: Measures the time customers would typically wait in the queue before they decide to hang up.

Contact Center: Your Opportunity to Make the First and Lasting Impression

For many global businesses, world-wide, the contact center serves as the first interface between the organization and its customers. The quality of service offered by the contact center often becomes a yardstick by which customers evaluate the organization.

The customer today is sophisticated, picky, and extremely hard to please, thanks to globalization, the digital and technology boom and a multitude of product, brand and service options. Customer loyalties have become fickle, and organizations have to go an extra mile or perhaps even a hundred to win, more importantly, retain customers. As the first point-of-contact between the customer and the organization, the contact center thus assumes a very key position as a service channel.

Contact Center: At the Revenue Generation Cross-roads

Despite the role it plays in creating customer satisfaction, the contact center occupies a strangely contradictory position in the revenue generation cycle. It is as much an important source of revenue as it is a cost center! For organizations, therefore, it is a challenging task to ensure that the skew does not swing too much towards the contact center being the cost center. Winning organizations are those that are able to work around challenges and create an ecosystem that drives the contact center into becoming a revenue generating center. This is true for both captives as well as third-party BPOs.

Contact Center Analytics: Tracking and Analyzing Metrics of the New Age Contact Center

Given the position the new age contact center occupies in the customer lifecycle and revenue generation mesh, it becomes imperative for enterprises to track and improve upon the call center's Key Performance Indicators (KPI).

The list of contact center metrics may seem tad long, but contact center managers, in particular, and enterprises in general, cannot afford to ignore any of these, as revenue and customer satisfaction are closely tied to each metric. All activities in the contact center must be effectively measured and analyzed to enable marketing, sales and other decision-making departments to use the 'contact center analytics' to make critical management decisions, which ensure that the following two key deliverables for the contact center are met:

- Maximizing revenues while keeping costs low and staying profitable

- Keeping Customer Satisfaction (C-Sat) high and creating customer delight (to retain, grow business and earn referrals)

Schedule Adherence: A schedule is a time plan for the nine hours that an agent typically spends in office. All the productive and non-productive activities, therefore, have a certain pre-defined start and stop time. Schedule Adherence is a measure of the variance between the 'actual time' of the activity versus the 'planned time' of activity, where both the start time and the stop time are tracked. For example, if the agent was to be on a call from 1400 - 1430 hours, but had to take a break during such time, it would be captured as 30 minutes of non-adherence.

Line Adherence: Defines the number of agents scheduled during a given time of the day (normally blocks of 15 or 30 minutes) to be on calls. Line Adherence measures the variance between the number of agents actually on calls versus the number of agents planned to be on calls. Line adherence offsets the non-adherence of agents. Line adherence ensures that even if an agent, scheduled to take a call at say 1410 hours is away, his absence is accounted for by another agent, who fills up for him.

Occupancy: Occupancy is the percentage of the agent's total time in the day (minus all planned off-phone activity) that is spent on a productive / on call activity. By definition it is:

(Total Talk Time + Hold Time + After Call Work) / (Total Talk Time + Hold Time + After Call Work) + (Available Time)

Available Time: Implies the time for which the agent was logged into the Automatic Call Distributor (ACD) and was available to take a call, but did not receive a call.

WFM - The Basics, The Challenges and Tips to Overcome Them

Workforce Management or WFM in the context of the contact center comprises four key processes:

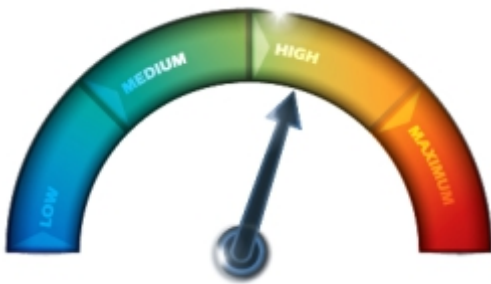| WFM	1 Forecasting and Planning	2 Scheduling	3 Performance Analytics	4 Change Management

Though the WFM function can be broadly categorized into four straightforward steps, in reality, the process is far from being simple and straight-forward. Complexities arise at each step of the WFM processes owing to the number of metrics that are controlled and impacted by WFM. The outsourcing manager and / or the contact center manager thus have to continuously deal with many important, but difficult questions.

The key to turning the contact center into a revenue-generating hub despite the challenges lies with having effective WFM processes run by an efficient team. Broadly speaking, there are four key challenges that outsourcing managers / contact center managers are constantly faced with. This whitepaper is a practical guide that throws light on tackling these tricky challenges efficiently and effectively.

Challenge 1: **What is a Measure of Good Performance?**

SL is essentially (and should be) a measure of the tolerance level of a customer when contacting a customer service center. It is part of the expectation the customer has and influences C-Sat.

SL would also depend on the contact medium chosen. For instance, a call or a chat would be more real-time; whereas an e-mail or a white mail communication could be spread over days. The SL goal, therefore, should be in line with the 'customer expectation' and 'tolerance' depending on the 'urgency' of the need / response and the type of product or service.

Countering the Challenge: There are a few simple strategies for determining the measure of good performance and using them strategically to differentiate from competition and retain high-value customers:
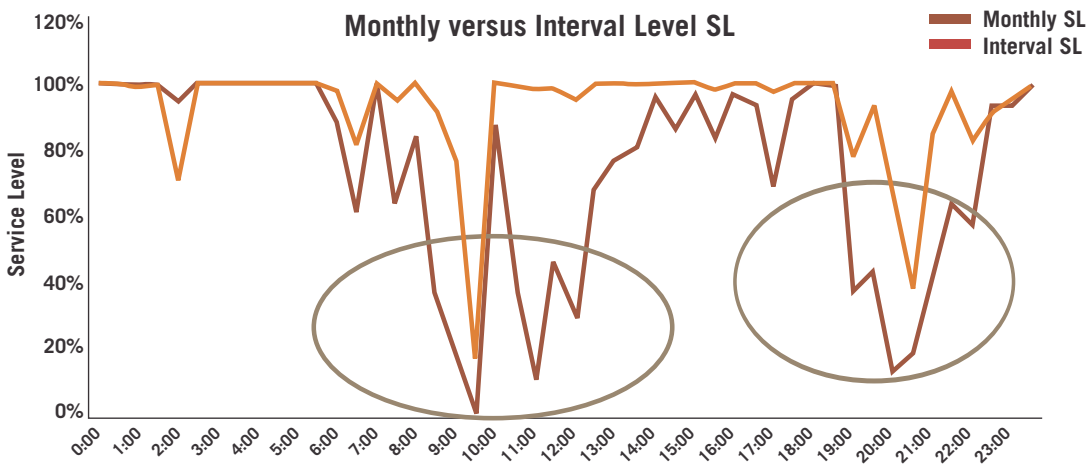
(a) Collate data on the SL provided by competitors in the same industry, for the same type of service (Travel and Hospitality, Retail, Consumer Products, Telecom as the case may be) and the medium of communication chosen by the customer and only then arrive at the benchmark for your contact center. You need to decide on the SL benchmark depending on whether your organization wants SL to be a 'differentiator' for the end-customer and if there is value in 'investing' in it.

(b) Another strategy is to sieve out premium and high-value customers by revenue, profit, references and / or any other criteria and strategically provide them a better SL.

Challenge 2: **How Consistently Should I Provide Superior Service Level and Customer Experience?**

It may seem that a similar level of SL is required through a 24/7 window to ensure consistency in customer experience. However, as you keep increasing the demand on SL consistency from a monthly frequency to a weekly, daily or intra-day interval, you will need to deploy a larger number of resources. This will get you into a diminishing marginal utility situation – for each incremental dollar spent, the incremental benefit will keep reducing.

Also, another important factor to bear in mind is that customer 'tolerance' may be different depending on the time of the day and day of the week. Therefore, understanding customer behavior and tolerance is critical.

Monthly versus Interval Level SL

— Monthly SL
— Interval SL

The HC Required to Meet SL at an Interval Level May Be Higher by 15-17 Percent vs. Meeting a Monthly SL Goal

Countering the Challenge: Rather than increasing the headcount to handle more number of calls across the 24/7 window, it is a better alternative to look at *providing a consistent service level during the peak calling hours*. This ensures that customers get a consistent experience when they call during a specific window rather than any time of the day or week.
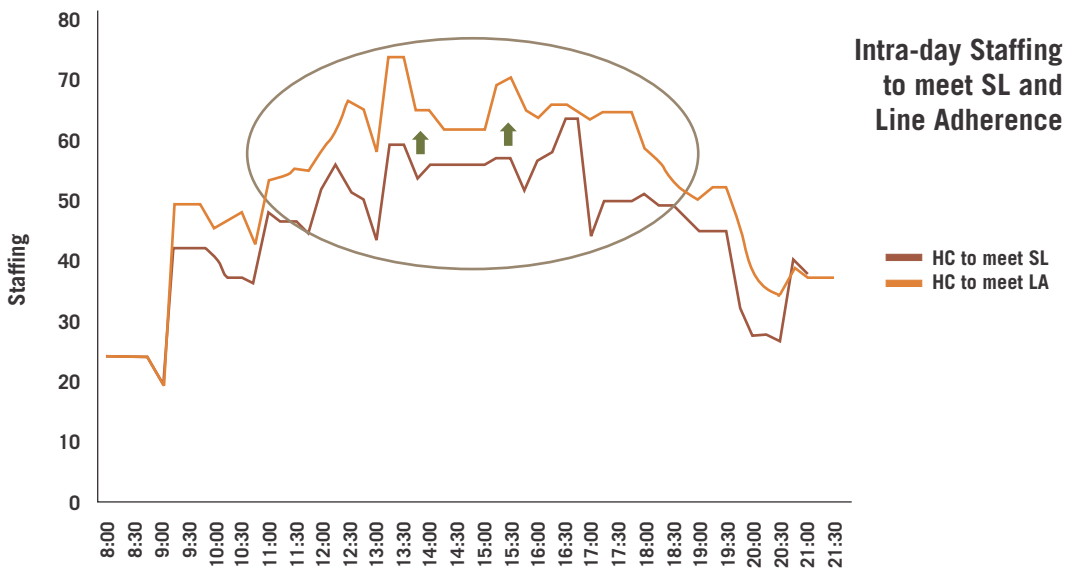
Since the bulk of the volume is within this time period, a larger percentage of customers can be provided with a consistent experience in terms of wait time without really increasing the cost.

While some organizations use the above strategy as a means of providing a more consistent experience during peak windows, this can be used as a tool to shape demand and customer calling behavior.

There may be other inherent 'controllable' processes / metrics that drive a demand pattern, which if tweaked smartly, either by you as a business or by your outsourcing partner can cut costs for contact center operations and provide a more consistent experience to the callers.

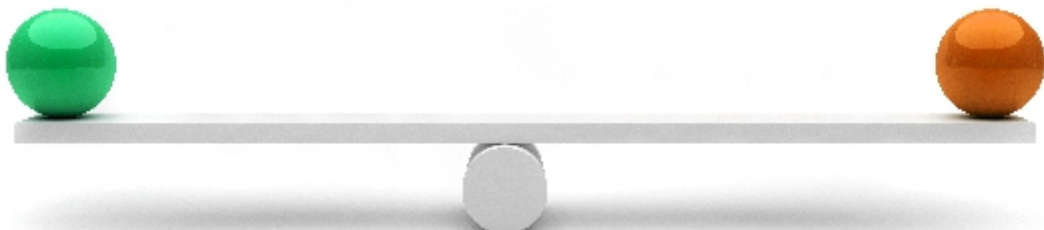While SL is an output metric, others like schedule adherence, line adherence, occupancy are all part of the staffing pattern designed to deliver a certain SL goal. In certain cases, organizations focus on metrics like calls abandoned and ASA, which are often, by-products of the SL or are purely triggered by customer behavior. At times, organizations also chase the design along with the output metric. The focus, however, must truly be on the output metric. Efforts can also be made to ensure efficiency in others. If one chases the input metrics (like Line Adherence), at times, the output metric (in this case SL) may be over-achieved and at a higher cost.

Intra-day Staffing to meet SL and Line Adherence

- HC to meet SL
- HC to meet LA

Staffing (y-axis: 0, 10, 20, 30, 40, 50, 60, 70, 80)

x-axis: 8:00, 8:30, 9:00, 9:30, 10:00, 10:30, 11:00, 11:30, 12:00, 12:30, 13:00, 13:30, 14:00, 14:30, 15:00, 15:30, 16:00, 16:30, 17:00, 17:30, 18:00, 18:30, 19:00, 19:30, 20:00, 20:30, 21:00, 21:30

The Headcount (HC) Required to Meet a Certain Interval Level Staffing Confirmance (Line Adherence - LA) is 12 Percent Higher Than What Is Required to Meet the SL, Which Should Be the End Objective. If One Chooses to Go with Delivery of Line Adherence, the Cost of Operations Increases

Challenge 3: **How Do I Staff Appropriately Keeping Parameters Like Business Interest, Law of the Land, People Satisfaction and Cost in Mind?**

How Do I Maximize Revenue and E-Sat at the Same Time?

This is perhaps the most important question that baffles WFM teams. Forecasting and scheduling, keeping multiple parameters like C-Sat, E-Sat, law of the land and costs in mind, can be an uphill task.

Countering the Challenge: Intra-day call arrival forecasting is the core activity behind creating schedules to ensure that SL goals are met. However, there may be certain events that trigger a change in intra-day call arrival pattern. The change could be seasonal or cyclical in nature, and therefore, predictable. Some of the variance may be purely within statistical limits and must not be read too much into, unless there is a sustained pattern observed over a period of time, which then calls for an adjustment in the forecast and requires scheduling.

In case of short-term blips, before making decisions, detailed discussions must be held between all parties in the partnership (business - outsourcing service provider) and available options (cross skilling and flex-up through onshore, nearshore, offshore teams) weighed out against the overall outcome and only then should the agents be moved around to maximize alignment to the changed call pattern.

Another risk, business managers and WFM managers on either side run, is when trying to determine when and how much to tweak schedules. This becomes an even more critical parameter in an environment, which does not embrace frequent change. Lifestyles are fast changing and organizations are expected to be more and more employee-friendly, allowing employees more room for work-life balance, and this puts a further constraint on how much scheduling flexibility (efficiency) is available (achievable).

In addition, geography, transport, local labor laws are the other important parameters that influence strategizing and scheduling.

The bottom-line is that you can never have one set plan despite standardizing, staffing and scheduling, forecasting and meeting SL goals.

Organizational and business dynamics will have an impact on the long-term capacity planning, and you will need to customize your staffing and scheduling based on the immediate business needs and the environmental forces.

Challenge 4: **How Do I Manage Contractual Staffing (Basis Forecasts) and Keep Costs Under Control Simultaneously?**

In a typical contact center scenario, managers are required to meet 110 percent or more of the forecasted call volume. This can be a challenge on either side:

In a dropping volume scenario: Contact center managers are saddled with a higher cost of operation if they staff up to 110 percent of the forecasted volume and they receive only 90 percent of the forecasted call volume.

In an increasing volume scenario: Contact center managers are potentially exposed to penalties depending on the contractual agreement.

In either scenario, both the contact center manager and the outsourcing manager are in a dilemma. In the first instance, while the contact center manager is worried about cost of operation

and dipping margins, the outsourcing manager would be worried about paying for the minimum number of calls committed.

In the second instance, while the contact center manager would be thinking about a 'possible' lost revenue opportunity or penalties on SL, in contrast, the outsourcing manager would be worried about customer satisfaction and lost revenue, more so in a sales environment.

Countering the Challenge: It would be ideal to deal with this dilemma by having a consensus between both parties by mutually drafting the clauses in the Statement of Work (contract). This will ensure that both parties are on an even ground and there is a partnership approach in creating the forecast for the business. It would also make good sense to have regular discussions around factors that impact forecasting and scheduling.

WFM – Much More Than MIS; a Leading Business Function

Apart from helping outsourcing and contact center managers cope with the four tricky questions mentioned above, WFM plays a key role in budgeting, forecasting, controlling costs and most importantly maintaining profitability and influencing C-Sat.

Headcount is the single largest cost that ties into other overheads like support staff, seats, IT bandwidth, hiring cost, rewards and penalties and, therefore, the communication between WFM and other functions like Operations, Training, Finance, Talent Acquisition, IT and Facilities is critical to managing a large part of cost for the contact center delivery and growth (revenue) while maintaining profitability. Additionally, WFM can effectively control all productivity metrics to improve revenue per FTE (read margins) by providing real-time visibility to the Operations team that directly controls agent performance and behavior.

Partner with the Expert

With a large client base that it creates contact center solutions for, WNS is a front-runner in workforce Management. Read the case study below to see how a leading global cosmetics company enhanced customer satisfaction with WNS's WFM model on forecasting:

The Client:
A Leading Global Cosmetics Company

The Challenge:
The client was generating a call volume for its Australia and New Zealand (ANZ) business, which was running at a 21 percent MAPE*. The client needed to have the MAPE reduced to get a better grip on the call forecast.

MAPE: Mean Absolute Percentage Error

The Premise:

WNS had been doing similar work for the same client for their Germany business and WNS's model proved to be successful. Basis the experience, WNS got a recommendation to carry out the same model for the client's ANZ business.

The WNS Solution:

WNS partnered with the client to create a step-by-step methodology to help achieve improved rates of accuracy in call forecasts. The proposed methodology was to analyze a number of customer data points like:

- Customer information
- Sales and marketing spends and its impact on volume

- Calendar of events that impacted the call volume historically. For instance, operational issues like shipping delays that cause short-term increase in call volume followed by a drop

Historical call volume available, helped in exhaustive quantitative analysis to assess and deploy the forecast model that worked best for the client. This was followed by discussing and agreeing on a governance mechanism and a sign-off from the client on the forecast volumes created by WNS. The model yielded the below-mentioned benefits to the client:

Benefits Delivered:

With the implementation of the new model, forecast variance reduced from 21 percent MAPE to 9 percent MAPE for a 60 day out forecast (Fig. 1).
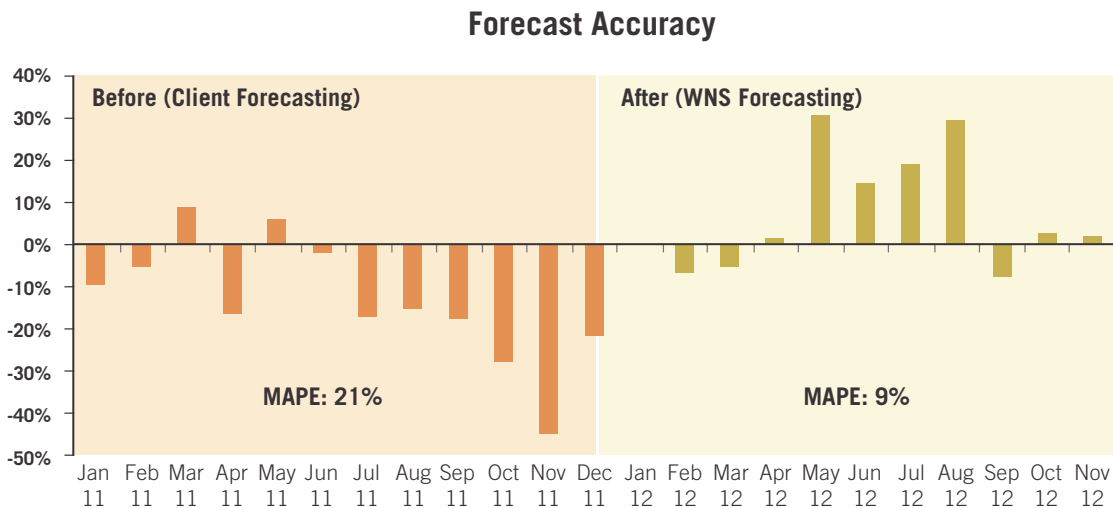
Forecast Accuracy

Fig. 1: Forecast Accuracy Levels for Client Improved with WNS's New Model

The new forecast model also:

- Helped better trending available for a long-term model
- Improved potential opportunity to use agent time in other productive activities

The overall benefit was enhanced customer satisfaction in the ANZ geography.

WNS Contact Center Solutions

WNS has a strong track record of supporting customer care functions of global businesses across multiple industries. WNS leverages a combination of technology, analytics, process excellence and a strong talent pool to help clients with their most challenging customer support requirements in today's multi-channel customer service environment. WNS innovates constantly to bring to clients newer avenues of creating customer satisfaction and enhancing ROI. Two such offerings from the WNS stable are:

ProGenie: ProGenie is WNS's proprietary tool for Unified Web Engagement. ProGenie is a customized Web plug-in for real-time customer engagement that helps online visitors navigate the Website effectively: make a purchase or resolve a service need.

Social Customer Service: WNS's range of platform-based customer service offerings for social channels include: Social Analytics, Brand Representation, Brand Monitoring, Customer Services and Community Management.

About WNS

WNS (Holdings) Limited (NYSE: WNS), is a leading global business process outsourcing company. WNS offers business value to 200+ global clients by combining operational excellence with deep domain expertise in key industry verticals including Travel, Insurance, Banking and Financial Services, Manufacturing, Retail and Consumer Packaged Goods, Shipping and Logistics and Healthcare and Utilities. WNS delivers an entire spectrum of business process outsourcing services such as finance and accounting, customer care, technology solutions, research and analytics and industry specific back office and front office processes. WNS has over 25,000 professionals across 31 delivery centers worldwide including China*, Costa Rica, India, Philippines, Poland, Romania, South Africa, Sri Lanka, United Kingdom and the United States.

* China: Delivered through a joint-venture.

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