Service KPIs

18 Things to Consider

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Key performance indicators (KPIs) may have many different names (objectives, metrics, targets or personal goals) and they can be either a framework to customer service success or a ball and chain which removes an agent and managers flexibility and creativity. If you define success as delivering exceptional customer service then the KPIs should be a tool helping to provide the insight needed to do this.

Customer service and Sales environments have a huge number of different targets that are used and some of these may simply be just legacy objectives which have always been used to measure operational success.

Here we look at some of the most regularly used and think about whether they really earn the value that is placed upon them. There are also some questions to ask yourself about each of these targets, and one question should be applied to them all.

"Can I draw a correlation from this metric to how happy my customers are and how likely they are to keep/start doing business with me?"

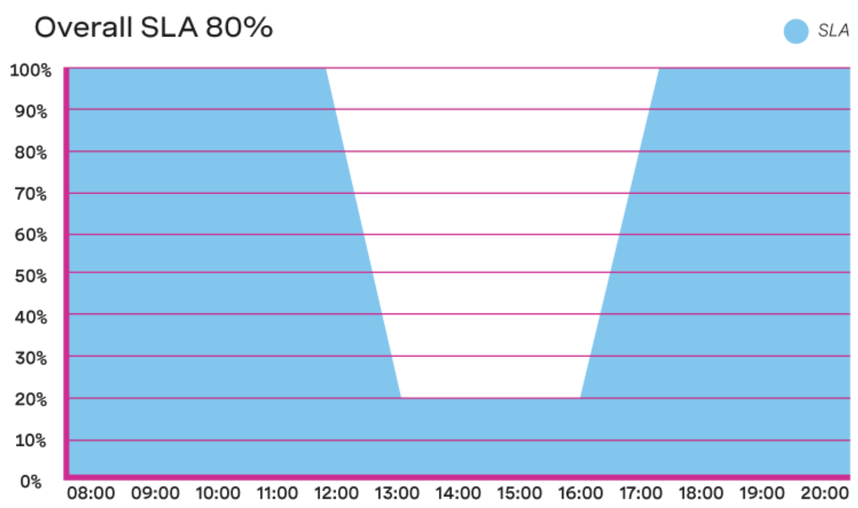
SLA

Often seen as the Great and Powerful Oz, it's the biggest, and one of the most widely used by inbound call taking environments. But what is really behind the curtain? And whilst asking that, why is it more often than not set to an 80/20 rule (80% of calls answered in 20 seconds)? The 80/20 rule (as it's known) is often put into place just because it adds up to 100, which is a nice round number. Industry leaders suggest organizations investigate the actual length of time customers want to wait to speak to someone on the phone (or get a reply to emails, Tweets etc) first.

Do they mind waiting 2 minutes, or does your business need to answer them in 5 seconds before the customer hangs up? Whilst some contact centers are scrapping this model to focus on getting the customer connected to the right person first time, others are bringing the classic service level metric with them into omni-channel environments, where 20 seconds in answering a call is becoming 20 minutes to reply to Tweets or emails. Whichever camp you fall into, it's unlikely this metric will be going anywhere fast, and for good reason, because if nothing else it can give you a single number measure to say when your contact center is (or isn't) performing well and it's easy for everyone to understand.

Of course the way you measure and report needs to be taken into account when reviewing your performance. For example do short answering times on 80% of calls across the whole day count as a good experience? What if 100% of people contacting you before 5pm were answered straight away, but everyone after 5pm waits more than 45 minutes? It may still be 80% across the day, but is it the sort of experience you want to give your customers?

Is this an acceptable SLA delivery profile despite delivering 80% across the day?



What to Consider:

1. Who needs to see this statistic and do they understand what it represents?
2. What is the amount of time your customers really expect to be answered in?
3. Is how you calculate your SLA designed for your customers, or just to look good?

Abandoned Calls

What do you class as an abandoned call? It sounds like a simple question which should have a simple answer right? Calls where the caller hangs up the phone before reaching an agent. But as with all metrics there are different ways to measure this. Should you include customers who abandon within 3-5 seconds? They didn't really give you much of a chance to answer the call after all. How about if they abandon before they even reach the queue? It could be they found the IVR difficult to navigate and had a bad experience, but maybe they found the information they were looking for (e.g. opening times for a store) and didn't need to stay on the phone.

This KPI can be a little clearer than SLA because if a caller stops waiting and hangs up, you KNOW you had them in the queue too long. The targets for these are usually in the low percentages, (even sub 5% could be considered a high abandon rate), but as with SLA it's more important to understand when and why customers hang up, not just the overall daily figure. Having a clear definition for what is classed as an abandoned call is vital in enabling you to benchmark where you are and make improvements. But remember, improvements by changing what counts, doesn't count.

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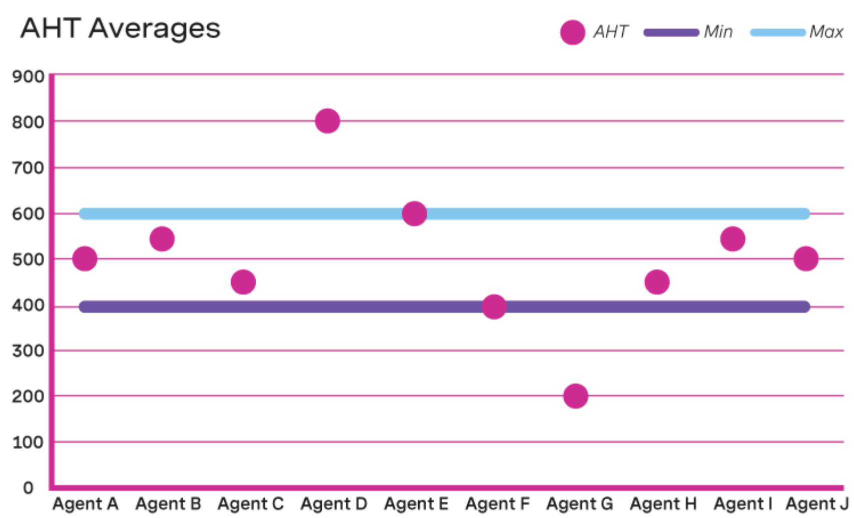


What to Consider:

1. Can you break out the stats of who hung up during the IVR rather than in a queue?
2. Do you consider any abandoned calls as good abandoned call? (aka deflected calls)
3. What, if anything, is an acceptable level of your callers hanging up to you?

Average Handling Time (AHT)

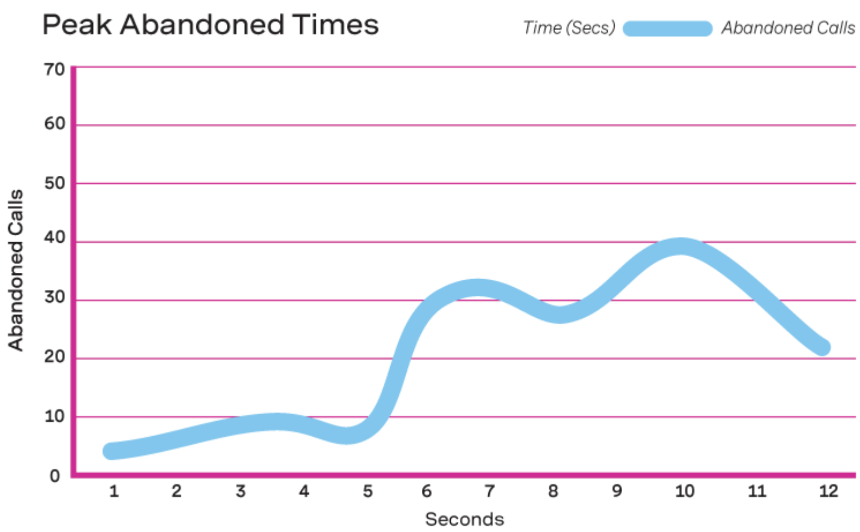
The question of what makes a good average handle time has been around for years and will likely be for years to come. It's not just as simple as "the lower the better", because you need to consider how customers feel about the call, not just the length of it. Believe it or not there are contact centers out there that actively discourage agents from asking the question

"Is there anything else I can help you with today?"

The reason for this strange, and seemingly counter productive instruction is that some team managers are targeted on AHT alone and not the first time resolution of the call. In this sort of environment, 3 short calls look better than one long call, but is that really in the customers best interest?

So should you completely ignore AHT, allowing agents to spend as long as they need on the phone with all their customers? Some contact centers use team/department averages, targeting agents to achieve within a percentage either side of this. That way there is no set number to reach, but you can flag up people spending much longer than everyone else on the phone, and those getting through their calls suspiciously quickly.

Having a min and max SLA enables you to view anyone outside of the norm



What to Consider:

1. Does your contact center budget give you the freedom to test being flexible with AHT?
2. What is your AHT target, who set it and most importantly what factors did they take into account in deciding this?
3. Which of your team members sit outside a reasonable variation of the 0 department average? Why?

Adherence

The favorite of resource planners worldwide, adherence is a measure of how closely a particular agent or group of agents followed their predefined schedule. Or is it? If alterations are made post event (a meeting over ran due to the manager getting timings wrong is a popular one) then it might just be a measure of who is best at convincing the planning team to make these amendments. Hard-line workforce analysts will tell you the best way to plan for the future is to understand historic events and as such no changes can ever be made to a set schedule. Others believe some actions are outside an agent's control and because adherence is a personal target for each agent, should someone's results really be lower if a manager took them off the phone to deal with a customer that arrived unexpectedly at the front door? If these situations are poorly managed agents may feel 'punished' for going above and beyond.

Adherence is a useful tool to maintain integrity of the planned schedule, and this is needed more and more when you plan to meet other targets (i.e SLA and Abandoned rate) with only a limited resource. If you only have a low number of team members then it's vital to be able to get them to the right place at the right time.

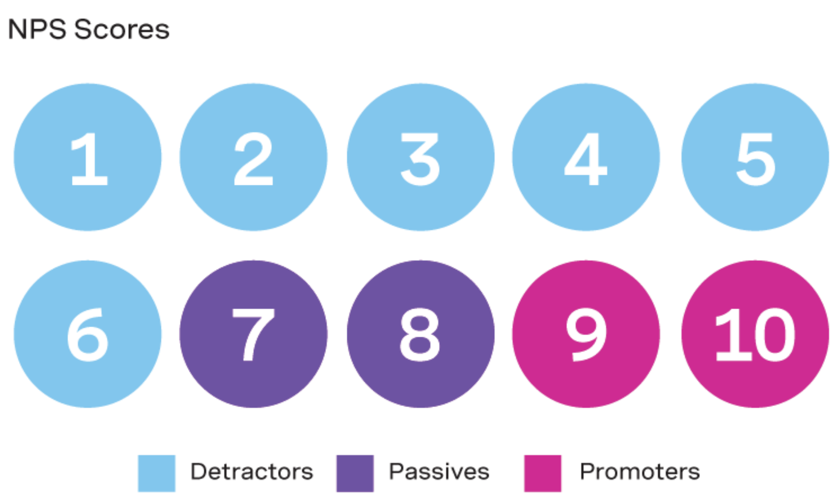
What to Consider:

1. What, if anything, would you consider appropriate to change in a schedule after the event?

2. How will you manage people that call in sick after the schedule? What about AWOL?

3. How many minutes a day might someone be late taking a break? This could help define your adherence target.

A good NPS survey should always allow some form or verbatim feedback too. Find out what your customers say when they do or don't promote you. Find the passive customers (those who rated 7 or 8 out of 10) and see what you could have done better, to push them into being promoters. Do remember though by not allowing people to remain anonymous you can influence what sort of scores they give you. Someone might worry their future treatment might depend on how they rated you. Also be realistic, some people just don't go round telling everyone what a great experience they had in paying their credit card bills.

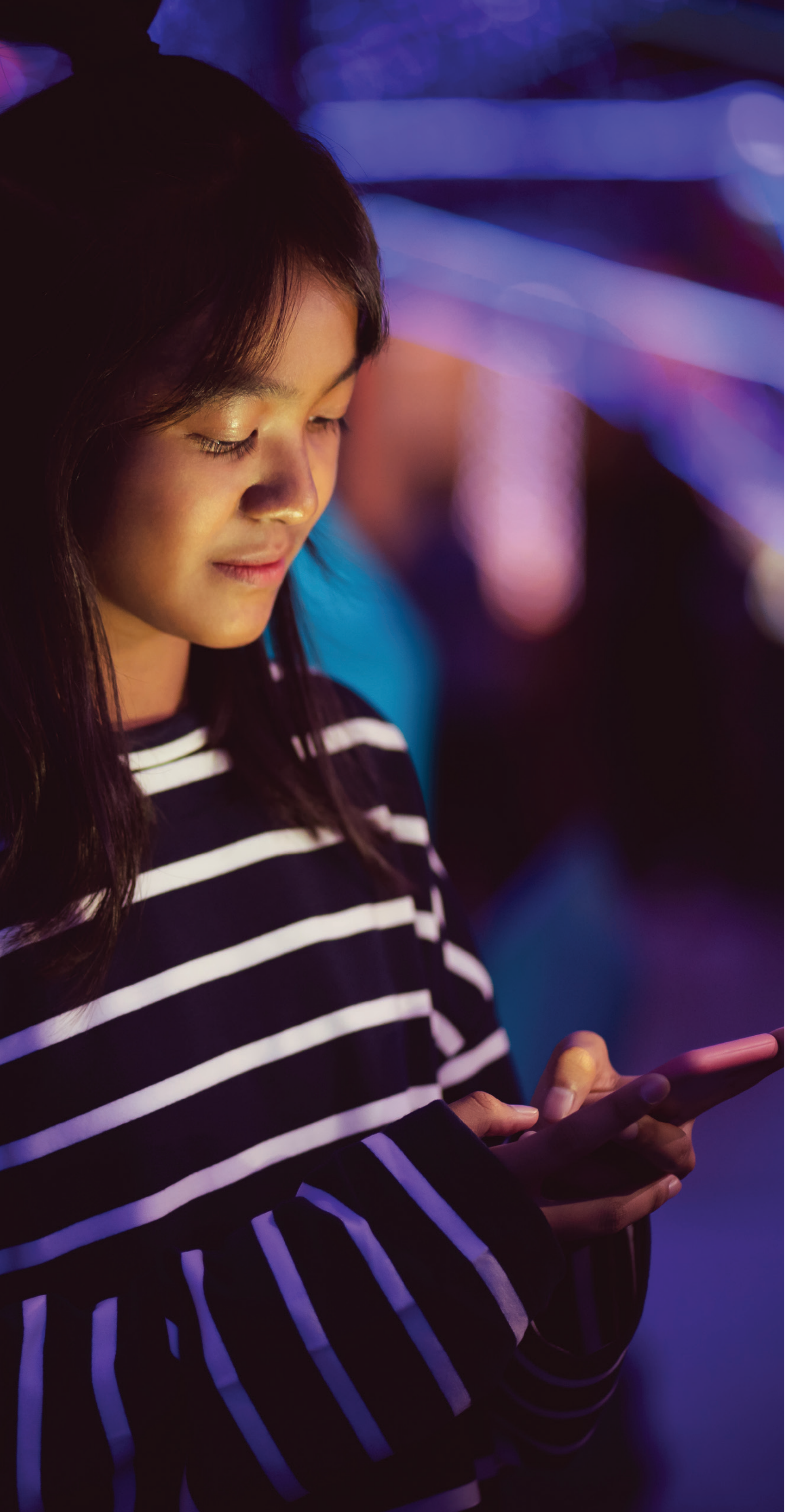


What to Consider:

1. How will you ask this question? Post call survey? Text survey? Email even?

2. What do you want to do with the results? Can you contact all bad scorers and try to sort out their frustrations?

3. How quickly can you react to trends in these scores?



Net Promoter Score - NPS

Now we are getting into the qualitative data and asking customers for their opinion. NPS is essentially asking customers if they would recommend your product/ business to a friend or colleague. Would they promote you or not? The exact method to calculate your score has been around for over 10 years now and has been confusing people for just as long. This has resulted in lots of variations in the maths, but all following the same principle. Would you tell other people we do a good job? In a scoring system out of 10 only the top 2 marks are classed as promoters, which is pretty strict as 8/10 would, in most circumstances, be considered a pretty high mark. Now used by contact centers, car dealerships and even house builders, knowing whether someone would promote you or not is a good piece of data to have. Knowing why is better though.

Customer Effort

The customer effort score metric has been rising in popularity since the Harvard Business Review (HBR) article "stop trying to delight your customers" in 2010 suggested you don't need to amaze your customers, you just need to make it easy for them to do business with you. Even though 89% of customer service heads said their main strategy was to exceed expectations a devastating 84% of customers said this hadn't happened on their latest interaction. Along with Fred Reichheld (founder of NPS) HBR found little correlation in satisfaction and overall loyalty. "Companies create loyal customers primarily by helping them solve their problems quickly and easily." It could be as simple as finding the answer to your most regularly asked questions and making them easily available online, or finding ways to automate simple processes that customers may go through regularly.

It's also important to pay attention to the differences in your channels, do customers Tweeting you expect an easier interaction? By looking at customer effort you are challenging yourself to start looking outside of just a single interaction and start looking at a customers complete journey in dealing with your business.

What to Consider:

1. Can you find out why a customer scored you one way or another?
2. Is the wider business engaged? Are they prepared to act on the results?
3. Can this metric impact the target setting of other metrics?

In Summary:

Speed of data. Most contact centers expect to have SLA, abandoned rate and even AHT available to them instantly. But for some reason would not expect the same real time results for NPS or Customer Effort surveys, accepting hours, or even days delay before receiving results from these questions. It's important to work out which of these KPIs mean the most to your business and then find the quickest way to obtain, analyze and act on this data.

How will you choose to supply and display this data? With Management Information (MI) teams across the world specializing in distributing analyzed data there is a great opportunity to utilize their wealth of expertise in modeling and making decisions. It's imperative the teams mining this data from its various sources are engaged in the process of defining what's needed, how it needs to be viewed and what decisions can be made from it.

And remember...

...that measuring these KPIs is not an end in itself, it just provides indications of the success of any other business improvement initiatives that are happening. Bad SLA? Measuring AHT isn't a fix for the problem but might give an indication of some driving factors to review. Then try looking at ways to improve.

This is a never ending mission, because customers are always changing their expectations. With the rise of Twitter, Facebook and online forums the customer now has more control in the relationship than ever before, it's time to make sure you understand what they really want, and how to give it to them.

About Vonage

Vonage is redefining business communications once again. We're making communications more flexible, intelligent, and personal, to help enterprises the world over, stay ahead. We provide unified communications, contact centers and programmable communications APIs, built on the world's most flexible cloud communications platform. True to our roots as a technology disruptor, our flexible approach helps us to better serve the growing collaboration, communications, and customer experience needs of companies, across all communications channels.

About the Author

Phil manages Vonage's Professional Services department in the UK and Europe and through this has been involved with some of the most innovative contact centers all across Europe. Prior to joining the company, Phil worked with some of the world's leading telecommunications businesses and has a background in resource planning and data analytics.