



## Customer- and Process-Focused Performance Management

Root-cause analysis and process improvement can help reduce costs

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### Summary

Recent research by Ventana Research shows that most contact center managers labor under severe cost constraints. This burden makes it very difficult to meet a corporate mandate to improve customer satisfaction. Since agents represent approximately 70 percent of the cost of running a center, managers constantly must struggle to match the volume of customer calls with the smallest possible number of available agents. Yet most of the causes of calls lie outside their control. We believe the only way to maintain a balance between containing costs and satisfying customers is to conduct root-cause analyses to understand the origins of calls, communicate the results to operational management and then provide incentives to change practices so that many of the drivers of calls are eliminated.

### View

Performance management in contact centers remains immature. Research recently completed by Ventana Research shows that companies still focus on efficiency. This is illustrated by the fact that although customer satisfaction is the most important measure used in centers, the next three remain average time to answer a call, number of calls abandoned while waiting in a queue and average length of calls. Measures such as lifetime value of customers, customer churn rates and cost of dealing with a customer – all of which would be important for managing performance – are low on the priority list, as is ascertaining the root causes of why people call. As customers grow less likely to put up with poor treatment, how calls are handled is undergoing a fundamental change, with companies realizing that they need to involve more skilled people in handling some calls. These can be experts working in back-office departments, people working at home, mobile workers or people who work with partner companies. The drawback is that these people are paid more than call center agents, so while effectiveness and customer satisfaction may increase, so will costs.

One direct path to improving customer satisfaction would be to reduce the volume of inbound calls from customers, employees, partners and others. This can be done by deploying performance management processes that include root-cause analysis. This analyzes the origin, type and content of calls to determine patterns and trends. For example, root-cause analysis might determine that a particular group calls repeatedly asking for the same information, perhaps because the information is hard to find or is not covered in the information or training given them. Once that cause is identified, additional materials or training can be provided, thereby reducing call volumes and satisfying both callers and center management.

The same approach can be applied to customer interaction-handling. One of the leading performance management vendors in this space, Enkata, has taken a step in this direction with its latest product offering. Within its chosen markets, Enkata has been providing root-cause analysis capabilities for several years. Now, using the new People Performance Management feature, companies can map end-to-end processes that span different groups of people who deal with customers: agents, back-office staff (such as sales, marketing or finance), mobile workers and external third parties. Performance-related analytics derived from data collected at points throughout the process then enable companies to spot what stage in the process is causing high volumes of calls to the contact center. Distributing this information to the owners of that part of the process will enable them to make better-informed decisions on how to improve so customers will not need to call the contact center. For example, People Performance Management would enable a telecommunications company to identify the new products or billing plans that generate the highest number of calls to the contact center, allowing marketing to address the situation, thereby reducing the number of calls.

A similar approach can determine which processes can be migrated to the Web or other self-service channels without lowering customer satisfaction. For example, customers calling repeatedly about the status of their orders can be redirected to track them on the Web. Companies need be careful, though: Before sending customers to the Web, examine the end-to-end sequence of information-supplying events to make sure the Web-supplied data will answer all parts of their question; otherwise, they will still call.

### Assessment

Performance improvement is not just about measurement and identifying root causes; it is about changing the way things are done. The manufacturing industry was the first to realize this when it introduced Six Sigma to improve quality. It involves setting targets; measuring whether the targets are met; if they are not, analyzing why not; changing the processes appropriately; and finally measuring whether the changes had the desired effect and the targets are met. The key is to understand why the targets were not met and act on that understanding.

Process change nearly always involves getting people to behave differently, and people become very driven by the measures used to assess their performance. By defining processes from end to end and having a hierarchy of task-specific measures for those processes, companies can ensure that their measures are appropriate and are provided in a timely manner and an appropriate format for the user. Ventana Research believes that customer interactions need to be placed in the context of broader processes and measures, so that everyone has an incentive to achieve the desired overall result of happier customers and fewer calls to the contact center.

### About Ventana Research

Ventana Research is the leading Performance Management research and advisory services firm. By providing expert insight and detailed guidance, Ventana Research helps clients operate their companies more efficiently and effectively. These business improvements are delivered through a top-down approach that connects people, process, information and technology. What makes Ventana Research different from other analyst firms is a focus on Performance Management for finance, operations and IT. This focus, plus research as a foundation and reach into a community of over two million corporate executives through extensive media partnerships, allows Ventana Research to deliver a high-value, low-risk method for achieving optimal business performance. To learn how Ventana Research Performance Management workshops, assessments and advisory services can impact your bottom line, visit [www.ventanaresearch.com](http://www.ventanaresearch.com).

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