

# Exposing the invisible

Applying engineering principles to customer service makes all the difference



Patrick and  
Fiona Coleman

**C**USTOMER SERVICE UNDERPINS modern business. Ask any successful CEO what the most important element of the company is and he or she will answer “the customer”. The question is: How do companies ensure they’re meeting that critical requirement of keeping customers smiling? Customer Service Engineering – CSE (formerly PAYG IT) are specialists in revealing the true state and associated cost of customer service within a business and bolstering the ability of companies to both accurately monitor and drive efficiency into their contact centre operations.

Every driver knows the dangers of blind spots on the road and the sick feeling that comes from realising too late when something is in your environment that you were oblivious to. Whatever is in the blind spot usually isn’t realised as a problem until you try to change lanes – at which time it’s often too late to do anything about it.

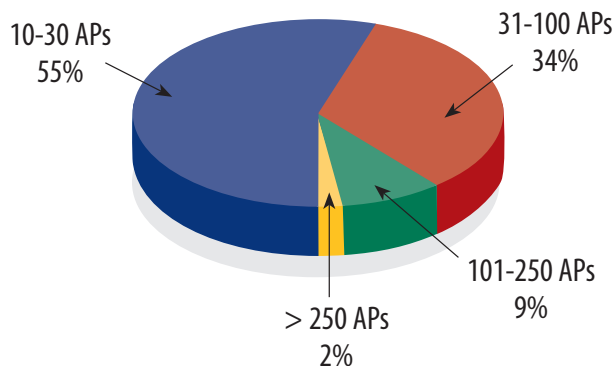
Just as with vehicles hurtling down a highway, many businesses are in or about to enter the fast lane but have blind spots that they should be paying more attention to. Having a problem is bad enough, but not even knowing it’s there is perilous.

CSE group CEO Patrick Coleman says the directors of many companies are hampered by their inability to see into those blind spots in their customer care and contact centre operations. That’s especially true in South Africa, where far fewer companies actively monitor the productivity of their call centre environments than elsewhere in the world.

Coleman says market research has revealed that 70% to 80% of companies in Europe and the United States make use of products to monitor customer contact centres’ productivity in real time and drawing intelligence from that information. Productivity is critical in this area of business and those companies realise that.

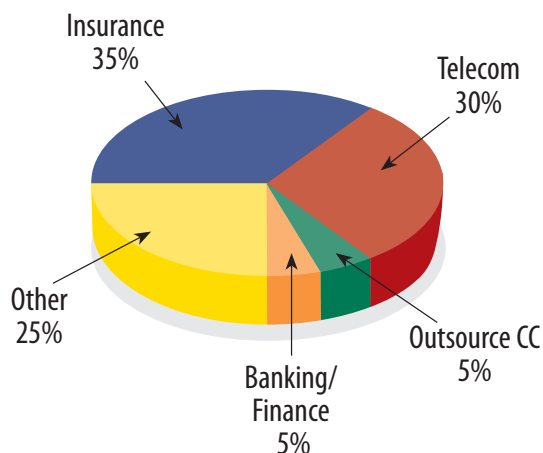
However, Coleman estimates in SA only 20% to 30% of companies are equipped to undertake active productivity monitoring and ongoing optimisation. When they do try to record information about the contact centre it’s often using tedious manual processes, such as entering information into spreadsheets.

## SA CONTACT CENTRES BY SIZE (AGENT POSITIONS)



Source: CSE

## CSE CUSTOMER BASE PER INDUSTRY VERTICAL



Source: CSE

"Slower adoption of productivity management systems is holding the South African industry back," says Coleman. That despite SA's industry being as mature in many regards as its international counterparts, many of which are becoming competitors as the business process outsourcing (BPO) market continues to globalise.

### THE PEOPLE BUSINESS

One of the biggest invisible areas is in the productivity levels of call centres in SA. The reason is that few centres are able to accurately measure their productivity level and so have little chance of identifying and dealing with problems that may exist.

Productivity is one of those concepts we take for granted in business. The term is in everyday use, but ask customer service managers and directors to define productivity and you'll often get a wide range of answers. Coleman is very clear and passionate on this point. "In our business the product is well serviced customers who are satisfied with the service they have received. So improved productivity has to mean more or better serviced customers, for the same or less effort."

Another factor is that productivity levels fluctuate and need a specific nature of monitoring that accounts for that.

Says Coleman: "Many contact centres we work with in SA use between 30% and 50% more staff than what they require – but couldn't address that issue due to a lack of productivity-focused business intelligence."

Some of the common challenges with contact centres are customer churn, over-spending on costs associated with running

We're engineers in an industry that doesn't employ engineers but dearly needs them

the centre, lost sales opportunities due to unavailability of sales staff, absenteeism and moral issues and challenges concerning customer satisfaction with the contact centre and its provision of services.

The blind spot in a customer contact centre can be any one of those things, a combination of some or all of them. The problems also interrelate and often one will cover another, masking the real reason for the centre not being optimally productive.

Coleman says a perceived overstaffing problem doesn't mean call centres need to cut jobs but that – if they were able to achieve greater efficiencies through optimisation of their productivity – they'd be able to do much more with their current staff and so reduce the cost of serving each customer. "They would grow because they would be trusted with more work and would be able to accommodate greater volumes. If anything, the process of productivity optimisation could create more jobs as a contact centre provider itself, or its associated business, gains more business."

These call centres need detailed analysis of their current performance levels and the tools to help them optimise efficiency and

quality in their operations.

Their customers already know when there are problems, but these remain in the blind spot for many contact centre operators – sometimes until it's too late.

### SHIFTING PARADIGMS

There are currently between 1 100 and 1 200 contact centres in SA, according to Datamonitor, where the local market grew by about 11% last year. That's expected to show a compound annual growth rate of around 9,3% between 2007 and 2012, according to Frost & Sullivan. The industry is relatively fragmented, with most centres being small and having fewer than 100 seats. CSE's main focus is on the 100-250 seat contact centre where business intelligence tools are not the norm.

The solutions CSE provides are available on an SaaS basis, allowing customers to essentially subscribe to the solution as a service in the form of operational expenditure on a month-to-month basis and avoid expensive capital outlays. This model also lends itself perfectly to SA's call centre market and the average size of company in it, making powerful solutions available that before were only viable for larger companies.

Coleman says the SaaS model also removes risk from the adoption of contact centre tools. Customers can simply turn the solution on or off at will. "For managers, the prospect of investing in a solution upfront without any guarantee it will deliver on promises is a daunting one," he says.

CSE takes an engineering approach to developing solutions for contact centre companies because, as Coleman says:

“We’re engineers in an industry that doesn’t employ engineers but dearly needs them.”

Founded in 2003 as PAYG IT, CSE brings together cutting-edge technologies, tools, processes and training into integrated solutions tailored to the needs of each contact centre. These solutions are designed to help contact centres run their operations as productively as possible, providing the required quality of service at an optimised cost per transaction.

Best of breed technologies and international methodology are employed but tailored for local companies and their particular needs.

**OPEN FOR BUSINESS**

CSE does things differently and is able to bring powerful solutions to both large and small to medium-sized contact centres that may not believe/realise such solutions are viable for them. CSE’s approach entails a holistic take on the contact centre environment, addressing not only workforce management but also quality management and everything from basic skills, such as typing, to advanced automated speech analytics that dramatically reduce the cost of quality assurance.

With that approach the cost of each service transaction within the centre is minimised through the management of factors such as staff utilisation and productive time. Further, the number of transactions required to serve each customer is also reduced through tackling work quality, root cause analysis and process bottlenecks.

Ultimately, the combination of technologies and processes that constitute a CSE solution provide information for a “unified business intelligence” overview of the entire customer service process.

Crucially, CSE has realised many customer service operations struggle

to create a unified view of all the valuable data already being gathered in their company. To overcome that obstacle CSE has created tools this allow it to assemble data from any data source and then present it to executives in a useful manner. Thus inputs (workloads and man-hours) and outcomes (sales, satisfied customers, collected debts) can be viewed together in a meaningful way that supports decision-making at all levels in the company.

CSE provides systems that not only monitor overall performance levels but accurately break those down into time increments, providing intelligence for what’s required and how well the contact centre is performing during its operating hours.

By providing engineering support to operational management CSE addresses an important gap in service centre skills

Delivering meaningful returns on a manageable monthly investment has earned CSE loyal customers in banking, insurance, telecommunications and other industries where contact centre operations are integral.

Engaging with CSE also enables customer service businesses to access a wealth of process engineering skills otherwise rare in their industry. That’s where CSE offers a real differentiator in applying engineering practices to contact centre productivity, priming operations in a way that only engineers can.

“By providing engineering support to operational management CSE addresses an important gap in service centre skills,” says Coleman. “Our technical expertise is unparalleled in SA and therefore we can assist organisations with a deep understanding of which technology and business tools to use and how to use them to achieve specific performance goals.

“CSE ensures contact centres don’t face steep learning curves when adopting our solutions. While most IT vendors believe their job is done once something is installed and switched on, our philosophy is that our job starts when a system is installed and commissioned. Our delivery point is measurable improvement in productivity and that means we’ve equipped

**Climate for customer contact**

**CUSTOMER SERVICES** is a growth industry in South Africa, where Government and private sector initiatives have bolstered skills. The global business process outsourcing market – which largely concerns customer contact operations – is estimated by financial analysts to be worth between US\$122bn and US\$154bn. A favourable climate and lucrative global market for that sort of outsourcing is behind SA’s growth and that momentum is good for the entire contact centre industry, not just outsourcing.

In India – currently the world leader in contact centre outsourcing – the sector accounts for 5,8% of GDP, employing 2m people directly and 8m indirectly.

In SA the sector has attracted foreign investment and Government initiatives promoting skills. The industry has started to create jobs and offers promising careers for South Africans.

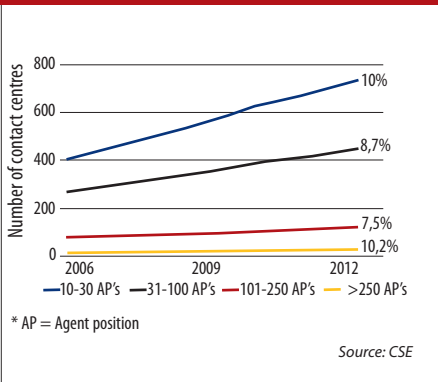
As customer services are increasingly focused on by South African companies, contact centres are expanding. The need for technology solutions to support this growth and stimulate the productivity of SA’s call centres is paramount. ■

ourselves to assist, coach and consult our customers in the application of business intelligence.”

The CSE approach saves companies from the nightmares of having to implement their own systems. All planning and integration are done by CSE quickly and painlessly, with minimal input required from internal IT teams.

Blind spots are potential dangers but are safely dealt with once exposed. CSE provides a new layer of clarity in contact centre environments, exposing the blind spots and enabling companies to decisively resolve any problems revealed. By prioritising performance and using powerful tools to drive efficiency, effectiveness and the management of environment factors, CSE solutions are the secret weapon behind some of SA’s most successful contact centre operations. ■

**NUMBER OF SA CONTACT CENTRES - COMPOUND ANNUAL GROWTH 2006-2012**



# Revealing performance



**Francois Booyesen**  
*A clear path forward*

**AS AN INDEPENDENT** telecommunications provider, the Reunert group-owned Nashua Mobile is dependent on its call centres. Reselling broadband, messaging and voice solutions from a number of operators, Nashua Mobile has around 700 000 corporate and customer cellular contract subscribers alone, being served by a 100 seat contact centre. Though efficiently serving customers is of vital concern to Nashua Mobile, actually managing contact centres was massively challenging before it engaged with call centre engineering specialists CSE.

Nashua Mobile's customer base and the industry it operates in are both growing. The company works with cellular and other service providers to offer its customers choice from a variety of Internet connectivity, voice communications, messaging and other telecoms solutions. It's a service-focused business where customer contact is absolutely vital.

Frans Booyesen is general manager of customer service at Nashua Mobile and says

while the company has always attempted to track requirement and performance levels in its call centre operations doing so accurately was difficult.

## **FLYING BLIND**

Without an accurate measure of staffing requirements, Nashua Mobile had a rigid schedule for contact centre agents. "We used to have two fixed day shifts and one fixed late shift in the consumer call centre," says Booyesen. "We also operated on weekends, but all out staff worked from Monday to Friday and any weekend work was billed as overtime. All our schedules and our forecasts and reports were done manually on spreadsheets."

This manual method of tracking not only limited the automation of call centre monitoring for Nashua Mobile but also meant man-hours being wasted on capturing data.

"It was a major challenge," says Booyesen. "It meant in our environment all our staff did extra work every day. And that obviously resulted in a lot of overtime being paid

Generally the problem was a lack of insight into workforce management and the impact of planning

during the week, as well as on Saturdays and Sundays. On top of that we had limited statistics available to monitor the call centre's performance. Our supervisory skills in terms of managing call centre teams were also limited at that stage."

Without firm intelligence to go on, Nashua Mobile had a hazy view of its call centre's performance – at best. Managers suspected there were problem areas but couldn't confirm or refute that or pinpoint where problems lay. This created uncertainty. But one thing was clear: Nashua Mobile needed to get a grip on the per-



*By implementing intelligent real-time tracking, Nashua Mobile increased its call centre's efficiency*

formance of its customer services division.

"We thought we had overstaffing in the environment, but then at other times it looked like we had under-staffing. I think generally the problem was a lack of insight into workforce management and the impact of planning," says Booyesen. "We had a situation where we weren't sure if we had too many people or not enough people. Our service levels were under pressure and we found we had a lot of customer complaints concerning being put on hold for too long. Our customers just weren't happy at all."

It was difficult for Nashua Mobile to consolidate the seeming contradiction that existed in its staffing. On one hand the centre appeared short-staffed, but at other times it seemed there were too many people around. That's often identified in call centres analysed by CSE before solutions are implemented.

### **CLEARING THE FOG**

Booyesen and his team called in CSE to not only provide technology solutions to their problems but to also assess the status quo within Nashua Mobile's call centres. A decisive solution was needed to its staffing problems and the spreadsheets had to go.

CSE began with a thorough study of the call centre environment, extracting information from its existing systems that would provide an overview of performance. Garnering numbers is important, but CSE also worked with Nashua Mobile to audit its operations, identifying problem areas and getting to the root of the various problems faced.

Along with looking at performance retrospectively, CSE also installed monitoring systems to assess current levels and obtain accurate information about Nashua Mobile's contact centre environment.

Once those processes had been com-

pleted, CSE was able to provide Nashua Mobile with an overview of its current situation, providing insights into problem areas. The results were surprising.

"We didn't always like what we heard from them," says Booyesen, admitting some of the information was a bitter pill to swallow. But he's quick to add it did provide the company with a clear path forward. It also immediately answered a burning question Booyesen and his team had. "A general lack of efficiency in our authorising structures was identified and CSE pointed out to us we were actually overstaffed," he says.

Nashua Mobile wasn't alone in that, sharing the problem with many contact centre companies that don't have customer service engineering solutions. In that scenario the contact centre has more than enough people but has problems with efficiency due to process management problems.

"Before engaging with CSE we couldn't really monitor the efficiency, occupancy and the adherence of our call centre staff. We were running blind at that stage," says Booyesen.

Nashua Mobile had been able to more or less track granular daily performance levels before calling in CSE, but without a more overall view of performance as it fluctuated throughout the day was being led astray by the numbers. "We were under the impression our daily service levels were pretty good," Booyesen says.

"For example, let's say we hit a service level of 85% – that is, 85% of all calls answered within 20 seconds. We'd obviously think everything was hunky-dory. But when CSE analysed our statistics during the planning phase we were able to look at heat maps that gave us a better overview of performance levels as they varied throughout the day," Booyesen says. "Looking at these we actually saw at critical times of the day our service level dropped down to around 40%. So it's all good and well to have a daily level of 80% plus but that doesn't mean your overall customer experience is good."

The heat map also showed Nashua Mobile what its staffing requirements were for specific times of day, allowing the company to rethink its rigid schedule for its agents. A better approach would be to have a schedule of adherence for staff that allowed breaks when it made sense to take them and ensured enough agents were present at their stations to handle loads during peak periods.

### NEW EFFICIENCY

By implementing intelligent real-time tracking, Nashua Mobile would be able to do away with its existing systems – whereby all staff worked from Monday to Friday in rigid time slots with overtime pay expended at weekends. Part of that solution would incorporate the InVision software system that accurately represents performance levels in half-hour time slots. Booyesen says CSE introduced a six-week project plan that covered comprehensive training on the new system for Nashua Mobile's workforce, including all its managers and agents.

"Change management was key during the planning stages," says Booyesen. "Nashua Mobile provided clear target metrics that needed to be achieved and CSE presented six different solutions to our

customer service division that met those requirements."

These various options were provided to Nashua Mobile so it could select a solution that would best meet its needs and implementation requirements. Deniz Rondon, Nashua Mobile's senior call centre manager selected a solution similar to its existing structure at the time, with the intention of phasing in additional workforce management components that would further enforce the return on investment of the product.

Booyesen says Nashua Mobile placed quality of service above efficiency, and this meant some of the solutions on offer – while more efficient from an operational point of view – were less favourable than others that would have greater impact on quality of service over the short term.

"We introduced flexible shifts, so that staff levels were determined by customer demands," he says. "Reports were designed by CSE that gave call centre managers easy access to measure staff performance and measures, such as adherence, occupancy and efficiency." This brought about cost savings, as staff shifts were optimised and overstaffing disappeared.

Now it had full visibility of the peaks and troughs in the demand for staff, Nashua Mobile also decided to better utilise staff time by introducing training, coaching and meetings with managers during troughs in call centre volumes.

### CLEAR RESULTS

The savings Nashua Mobile has achieved in overtime pay alone are astounding. Booyesen says the reduction in overtime has been in the region of 95%. "This has been the most significant return on investment Nashua Mobile has experienced to date."

Occupancy in its contact centres has also increased by 13% in 10 months. Efficiency has increased by almost 28% over the same period. Staff adherence started at 87%, which Booyesen says was already very high, but

has steadily increased to a target of 90% achieved in February this year and maintained since. "We've also reduced our call centre headcount by 10%," he says.

With more time available for training and coaching, Nashua Mobile's transfer rate – which measures the number of incidents where a call has to be transferred to another division or manager – has dropped from 21% to less than 10%,

Occupancy has increased by 13%. Efficiency by almost 28%

meaning more calls are resolved by the agents who answer them.

Booyesen adds: "In addition, the hidden benefits are that management can now very clearly see the cause for non-performance at any given time and have a lot more data in the form of reports on hand to analyse and operate the call centre. Managers' skill sets have also grown tremendously.

"These teachings and principles have now been rolled out to the other call centre environments within the group – with the same returns being seen at Nashua," says Booyesen.

An improved call centre environment has also bolstered Nashua's ability to retain customers and has created a strong differentiator for it to grow its customer base in an industry where good call centres are rare. "Being a service provider, one of Nashua Mobile's biggest cost components is obviously staffing. Workforce management has enabled the company to manage its resource costs, such as overtime and headcount, more efficiently," says Booyesen.

"But it's also contributed towards reducing customer churn [a measurement of how many customers leave one service provider for another] as a result of increased service levels, such as the ability to solve a problem the first time. We must also remember implementing a business intelligence system is a journey and not just a one-off implementation. The information gathered by this system is continuously analysed to improve our service levels even more and to streamline our call centre operations and processes."

Booyesen describes the gains made thanks to CSE's solutions as "amazing" and says he looks forward to further advantages as increased use of the systems is applied. "I'm extremely happy and think it's also brought us a lot of goodwill from our customers."

In a competitive industry where customer loyalty is highly volatile, customer contact centres are a vital operational undertaking. Nashua Mobile is one of many service providers in SA where the penetration rate for cellphones is more than 100%. The millions of potential customers often choose a service provider on the abilities of its contact centres. ■

The reduction in overtime pay has been in the region of 95%

# The CSE approach

**CSE PROVIDES** engineering solutions to the customer service industry with systems that improve productivity through accurate monitoring of vital statistics combined with the effective use of business intelligence. The solutions are tailored for each customer and are often provided on the Software as a Service (SaaS) model.

## GETTING TO KNOW

Customer service centres often face staffing problems that they do not even know exist. CSE therefore begins any customer engagement by first analysing the service centre environment to uncover potential weaknesses in quality, staffing and performance. This exercise is often conducted by CSE at no expense to the client. CSE deploys a set of business intelligence tools to analyse call data, resolutions, staff adherence and other metrics within the centre while identifying peaks and troughs in customer contact traffic patterns.

Once the status quo has been accurately established, CSE is able to work on a comprehensive and precise solution to sustainably improve productivity and

implement monitoring and intelligence systems. This extends beyond just planning and quality management, addressing agent skills, quality assurance and customer satisfaction.

CSE Group CEO Paddy Coleman says that many contact centres are shocked when their true performance is revealed.

“In many cases the contact centre managers will perceive an understaffing problem as being the reason they are falling short on call resolution and other performance issues,” he says.

“We use business intelligence to quickly access a contact centre’s productivity and conduct an evaluation of the contact centre environment to find the real reason for shortcomings and accurately establish staffing requirements,” continues Coleman.

“We often find that the real problem is not understaffing, but rather productivity levels in an environment that, if anything, is overstaffed.”

Coleman says that Customer call levels fluctuate throughout the day and without the right tools in place it can be difficult to control staffing.

$$P = E^3$$

**P** – Measured productivity of the contact centre

**E<sup>1</sup>** – Efficiency ensures the best use of input resources. In a customer service environment the greatest input cost is labour.

**E<sup>2</sup>** – Effectiveness ensures that work is completed correctly the first time, also known as “first call resolution”, which eliminates re-work or waste.

**E<sup>3</sup>** – Environment ensures that the operating environment enhances productivity.

CSE works out a mathematical formula based on  $P = E^3$  to give managers an actual measurement and benchmark on overall productivity.

## THE PRODUCTIVITY FACTOR

Productivity and improved customer service levels are the reason that customer service centres are built, and it’s also the ultimate goal of any CSE solution. The company has built its methodology based on the formula

## THE PRODUCTIVITY FACTOR

### COST TO COMPANY NOW



unhappy customer

staff turnover

abandoned calls

lost sales opportunities

customer claims

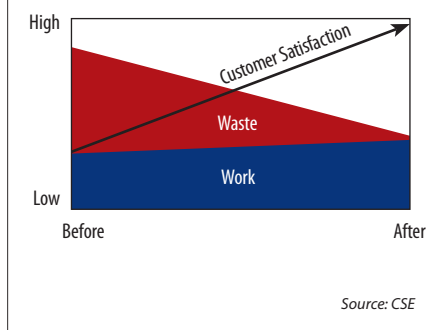
absenteeism

first call resolution

### REAL COSTS FOR PRODUCTIVE CUSTOMER CENTRES



### THE PRODUCTIVITY PARADOX



$P = E^3$  where 'P' stands for productivity and the three 'E's are for efficiency, effectiveness and environmental factors.

Simply put, productivity is the rate and cost of production. In a service environment, productivity will be optimised when the highest number of customers is successfully served with the fewest resources. This should be the ultimate goal of any customer contact centre.

According to a study by Bain & Company, an even greater cost is losing the customer altogether due to poor quality service. About 31% of customers are at risk of changing suppliers when an issue is not resolved during the first call.

The operating environment of a contact centre determines the cost of input resources it requires. For example, salaries are relatively lower in South Africa than in Europe. However, if staff spend 10% of their time in meetings, 20% of the time away from the phone for breaks and coaching, and absenteeism runs at 20% then the actual cost per working hour shoots up by 71%.

On the other hand, a policy decision made by management to give staff additional breaks during the day may in fact lower the cost of resources by reducing sick leave. There's no mathematical formula for optimising the environment for a service operation as it requires understanding and experience to apply appropriate measures.

"We aren't a bunch of fanatics demanding that staff be chained to their desks and dismissed as soon as they make an error," says Coleman. "We are, however, fanatical about scientifically measuring inputs and outcomes and making informed rational decisions based on reliable business intelligence."

CSE combines best practices and international lessons in its methodologies that bolster performance greatly when combined with tools for keeping a finger on the pulse of the contact centre.

### EYE ON THE STATUS QUO

Coleman says that CSE engineers closely monitor the centre's performance and are able to provide a detailed overview of performance levels.

CSE also holds exploratory meetings and workshops with the client in order to identify preliminary opportunities and concerns that need to be addressed by the potential implementation. This includes technical, commercial and organisational constraints that need to be taken into account when designing the solution.

Coleman says that CSE ensures that its engineers are constantly available to make sure that its customers are getting the most out of the system. "How could we call ourselves 'customer service engineers' if we couldn't provide service at all times to our own clients? Our delivery and support team provides support throughout the day and seldom takes more than an hour or two to resolve any technical or planning difficulties," he explains.

### DRIVING INTELLIGENCE

With a CSE solution in place, a contact centre can monitor its ongoing performance and draw intelligence from its systems to make sure that service levels and productivity are maintained.

Plugging into the contact centre's existing systems provides information for CSE's operations auditing whereby measurement is conducted for staff deployment, scheduling effectiveness and schedule adherence. Reliability can also be gauged along with first call resolution performance and the all-important customer retention.

Solutions are designed to measure various aspects of the contact centre using specialised technologies, analyse the data using CSE systems and its unique business intelligence model based on the  $P = E^3$  methodology and improve the processes, systems, performances and management controls within the contact centre using the unique business intelligence layer and CSE's expertise.

Through this process CSE provide empirical measurements, analyses and recommendations to make contact centres more productive, and those improvements are measured, so the productivity isn't just dreamed or promised, but is actually delivered.

Quality and compliance performance,

process flow and deviation against approved processes and cost to company per call and agent seat are also measured.

Through its test call routing service, CSE addresses situations where a phone number doesn't route to the right operators in a client's infrastructure. CSE offers solutions to test call routing hourly, daily, weekly and monthly or as often as clients need it tested.

Companies using workforce planning systems typically enjoy a 25% reduction in staff operating costs and up to 80% savings in planning and management efforts.

Quality Management systems (QM) are at the heart of the entire process, ensuring

that customers are actually served rather than just "processed and ejected". Once contact centre's customers are connected to staff, success of this interaction depends on the ability of agents doing a good job the first time around. QM address this issue by logging calls, performing quality assessment, tracking processes, attending to problems and investing

in training so that contact centre staff are confident using the solution and are able to get the most out of it.

A rich set of best of breed tools and technologies is used to deliver solutions that CSE customers can bank on. Combining these systems with the  $P = E^3$  methodology and offering the innovative SaaS pricing model, CSE's solutions holistically cater for every customer service centre requirement, whether a contact centre or a back office operation.

The breadth of its solutions along with its SaaS model has given CSE an advantage over its competitors and provided its customers with flexibility and control in managing their contact centre operations. ■

Many contact centres are shocked when their true performance is exposed.

## Fast Facts

Customer Service Engineering (CSE)  
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