

The Service Level Group's Better Contact Center Series

The Challenges and Benefits of Being a Small Center



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The Service Level Group's consultants have partnered with numerous small call centers and found many struggling with the same basic issue – gaining an understanding of the dynamics associated with small agent groups. For the purposes of this white paper, we're using small call centers to mean centers with 60 or fewer agents or larger centers that have agent skill or routing groups of 60 or fewer. Over the last few years, there has been more attention on this market segment along with the development of new software tools targeted specifically at small call centers. What follows are some of our findings from our consulting engagements along with opportunities and recommendations for managers of small call centers.

We'll start by reviewing the characteristics of small call centers along with the common challenges. The majority of the article is dedicated to overcoming 8 issues that we see causing the most frustration for those managing small call centers. Our goal is to identify the drivers behind the challenges and provide solutions to assist small call center managers in overcoming them.

Advantages of Small Call Centers

There are several advantages to being small that, when properly leveraged, can make the customer experience more pleasurable. Below are a few of the benefits we typically find in small call centers:

Everyone gets to know each other – Agents typically understand their role on the team and have a clear understanding of each other's strengths and weaknesses.

More involvement in other departments - Small call centers (single site) have the luxury of being involved in the sales/marketing activities and understand their potential impact.

Overall understanding of mission and vision – Agents in smaller centers are able to see the entire process and therefore have a clear understanding of their role in supporting the overall operation.

Easy to disseminate new information - In many cases, information can be communicated during informal stand up meeting or memos hand delivered to all agents within minutes.

Quickly react to real-time changes – Managers in smaller call centers typically have the luxury of being able to view the entire floor and personally control real-time recovery actions.

Customers don't know or in most cases care that the call center is small.

This may sound rather harsh, but it's reality - from the customers prospective, they compare experiences and many of them are with larger call centers that have technology and economies of scale working in their favor. Because of this reality, managers of small call centers have to uncover creative ways to provide positive customer experiences. That can be difficult, and as a result, many small call centers often find themselves operating in what can be best described as a constant state of "chaos". One key to successfully managing in the small call center environment and providing an excellent customer experience is understanding the challenges and where to focus energy.

Challenges in Small Call Centers

Call centers, in general, are challenging operations and in many cases these challenges are further exacerbated the smaller a call center. Below are a few of these challenges we typically find small call centers struggling though:

Everyone gets to know each other – While this can be a benefit, it can also create challenges in environments that do not have fair or balanced agents measures in place. If left un-addressed, agent mediocrity is quickly noticed by others on the team and negativity can spread quickly.

Little room for error – Just one poorly planned activity or a couple of agents not following their schedule can significantly impact the service provided to customers and how the agent workload is distributed.

Significant forecast variances – Call volumes and handle times are, in most cases, less predictable and directly impact the number of agents required to meet a service level objective in every interval.

Fewer reaction options – There are typically few, if any, other places to send the calls during times of crises and real-time recovery routing creativity is typically limited.

Budgets and lack there of – In many cases, capital spending budgets are limited and there is typically a heavy entry price to obtain the latest technology.

Lower agent occupancy rates are required - Agent occupancy is an uncontrollable outcome and a reality that must be accounted for and understood in small call centers.

Although the challenges seem to outweigh the benefits of being small, by understanding and appreciating a few simple concepts, these challenges can be significantly minimized. An appreciation for the following eight concepts will help small call center managers improve operating efficiencies and potentially reduce the number of daily "hair-on-fire" events.

1. Fully Understand Agent Occupancy

The first and, by far, most important concept for small call centers to understand and appreciate is that of agent occupancy. Agent occupancy is an often misunderstood and misapplied call center concept. For small call centers it's the main driver behind many of the efficiency challenges and the most frequently overlooked necessity. Simple put, agent occupancy is the average time of all agents taking calls in which they are "occupied" talking to customers or in an after call work state. One way to simplify it is to look at it from the inverse perspective – the inverse of agent occupancy is agent idle time, or the time they are sitting, waiting for the phone to ring.

Idle time is a reality in every call center and the larger the call center the less idle time required to meet a given service level objective. This is the result of the law of large numbers – in a larger answering group, agents will become available to take calls more frequently, resulting in less idle time. To help illustrate how occupancy varies depending on the size of the answer group, we created the chart shown in figure 1. Shown are the results of an erlang program used to determine the number of agents required during a ½ half to answer meet a 90/30 service level objective.

Service Level % 90%				
Answered in: 30 secs.				
Staffing Req	Volume	AHT (secs)	ASA (secs)	Occupancy Rate
119	575	340	7.8	91%
65	300	340	8.2	87%
45	200	340	8.6	84%
18	70	340	11.1	73%
8	25	340	13.4	59%

(figure 1)

Highlights from the chart are as follows:

Each row is an example of a different call answer group.

The objective is to answer 90 percent of calls within 30 seconds in all five examples.

Inputs to the program are:

- Call Volume – The number of calls expected to be offered to the group in the half hour. (Volume)
- Call Handle Time – The average of the sum of Talk, Hold, and After call work for each call. (AHT)

Outputs from the program

- Minimum number of seated agents – The minimum number of agents needed for the entire ½ hour to meet the service objective (Staffing Req)
- Average Speed of Answer – The expected average call answer speed if the minimum agents required are staffed. (ASA)
- Agent Occupancy – The average amount of time agents will be occupied in direct support of customers shown as a percent with the inverse being idle time. (Occupancy Rate)

The bottom row shows a need to have 8 agents available for an entire half hour to answer the 25 calls within the service level objective. The agent occupancy result is 59 percent – the 8 agents will be talking to customers or in an after call work state an average of 59 percent of the time. Again, it's easier understood when you look at the inverse – agent idle time - in this case it's 41%. At the end of the ½ hour if you add up the idle time it would be about 41% of each of the 8 agents time or a little over 12 minutes per agent.

Contrast that with the top row that shows 119 agents are needed to handle 575 calls with an average occupancy of 91%. Again the inverse is 9% idle time or about 2 ½ minutes per agent.

When expanded to an entire day, the chart shows that the agents in the smallest call center will be idle an average of 2 hours for every 7 hours of phone time compared to only 35 minutes of idle time in the large center. Agent occupancy is a function of workload size and desired service levels and can't be increased – for small call centers this means more idle time will always be required to meet the same service level when compared to larger centers. If you manage a small call center that is meeting telephone answer objectives, you'll most likely have others in the organization ask why the people are just "sitting" around – the answer is in the occupancy.

2. A Planning Culture is Critical

Absolutely the best thing you can do for yourself, your customers and your employees is embrace the concept of a planning culture. A call center planning culture is one in which everything that can impact the call center's quality and service level are considered in each business decision. Given the very limited error margin available to most small call centers, this is especially important.

To meet telephone objectives, provide agents with a balanced quality of work life, and allow adequate time for non-phone activities call centers must be properly staffed. This may seem like an obvious statement, but we often find call centers of all sizes struggling to get it right. Before trying to improve processes, make agents happier, or introduce new technology, you have to get the staffing part right. This is the most basic activity regardless of size, but is often the most overlooked.

What makes this more of a challenge in many small call centers is a lack of appreciation of the value added outside of the center. More often than not, small call centers are supported by departments that also assist other parts of the organization – listed below are a couple of examples:

- The telecom department provides ACD support for the call center and all of the other telephones in the company
- The HR department is tasked with screening call center agents, but spends the majority of the time staffing for other parts of the company,
- Manpower standards used in other parts of the company are applied to the call center (FTEs per customers or other static models).

At the heart of overcoming these challenges is a well understood and appreciated service level driven planning process. Without it, managers spend a lot of time explaining “why”, and those outside of the center are continuously questioning changes. Bottom line, creating a planning culture is the ticket to everything that makes call centers run better – process improvements, targeted training, coaching, and quality initiatives.

3. Nothing Can Be Skipped

We often see small call centers struggling because they’re missing the first, and most basic activity – choosing a service level objective. In many cases, small call centers focus on telephone objectives such as average speed of answer or abandon rate in place of a service level focus.

Service level is absolutely the best call center telephone speed-to-answer measure (read: you have to have one). It directly measures the accessibility of your organization to your customers and should be used as the primary measure of telephone success, which is defined as answering X percent of calls within Y seconds (e.g., 80% of calls in 30 seconds). Service level is the tried-and-true indicator for call centers and is the basis on which all commercially available workforce management systems are built. Service level is often viewed simply as a performance measure or goal for call centers. It is true that it does provide the

best overall indicator of caller treatment, but it also serves a much greater purpose. A call center’s telephone service level objective provides the foundation for the most fundamental activities in a center: planning, staffing and execution. The service level objective you choose will directly influence the number of people you hire, how many people you need to have on the phone in each hour of the day and when you need to implement a real-time recovery plan.

Once you have a service level in place, you must also have a formal process for addressing all of the steps that follow – determine staff, scheduling, implement accountability, continually improve, etc. A common mistake made by leaders of small call centers is thinking that being small allows for shortcuts. Reality is just the opposite – and additional challenges must be overcome along the way.

4. Recognize an Agent’s True Capacity

Frequently misunderstood or misapplied is the true productivity available from a call center agent. It’s not uncommon to have to staff 2 people for every 1 hour of customer support workload in small call centers - and depending on the service level or size it can get as high as 3 to 1. The first step is to fully understand where all the time is going and we use the table below to help illustrate this point.

	Remaining Hours	Activity Reduction	Hours Remaining
Weekly Scheduled Hours	40.0	0.0	40.0
Absent (annual, sick, FLMA) 17days/yr	40.0	2.6	37.4
Paid Breaks (2 @ 15min per day)	37.4	2.5	34.9
Non-Phone (meetings, coaching) @ 1hr/wk	34.9	1.0	33.9
Non-Phone (email,updates) @ .5hr/day	33.9	2.5	31.4
Telephone adherence 90%	31.4	3.1	28.3
Required Occupancy Rate 70%	28.3	8.5	19.8
Total on Phones, Hold and ACW	19.8		

The table shows that once all activities are accounted for, a 40 hour agent will be dedicated to service customers an average of only 19.8 hours per week. The required occupancy rate alone accounts for a telephone reduction of 8.5 hours per week when the expected service level objective is being met. As illustrated in the occupancy example above, this is a requirement and the smaller the center, more “idle” time must be added to the process.

Many small call centers try to account for this non-productive time by

scheduling other activities during the “idle” time. Under the right circumstances, this can be successful. One key is to make sure the assigned activities do not take agents from their desk or cause them to go into a call blocking state (eg, outbound calls, research, gaining approval, etc).

5. Don't Give up on the Forecast

Small call centers will always be challenged to get accurate forecasts – it's never as easy as in large call centers. The more samples you have, the easier it is to predict the future and with fewer calls in smaller centers, improving forecasting accuracy is a constant struggle.

There are several approaches to forecasting call load (call volume x handle time). For small call centers, historical based forecasting normally works pretty well. Here you look at what happened in the previous weeks to forecast what to expect in the next. The data is typically available from the phone system and can be easily trended in a spreadsheet or database application.

Unfortunately, many small call centers tend to give up, because they're never able to achieve the single digit interval variances commonly referenced in industry journals as “best practice.” My advice is not to give up because you'll most likely find that there will always be some type of volatility present – keep tracking it and look for ways to reduce the average. For small call centers, the key is to determine how close you can get and then develop schedules based on the range.

Let's say that history shows you're normally within a 12% absolute interval staffing variance – the difference between the number of people you think you need versus the actual need. As you're working to find ways to reduce the 12% variance, it should be accounted for in your schedule just as your required occupancy and actual telephone adherence rates are. Not planning for this reality will result in missing service level in many intervals, eventually creating more challenges for the center.

6. Get Creative With Schedules

Once you have an understanding of your true daily interval staffing needs, getting creative with schedules becomes easier. For small call centers, this is one way to reduce some of the inefficiencies introduced with a lower required occupancy rate. Below are some ways to help improve departmental efficiencies by ensuring your workforce is properly aligned with the workload:

- Transition static start and stop times to more flexible shifts.
- Conduct departmental training or team meetings outside of traditional hours.
- Provide agents the option to combine breaks and lunches to take the combined off time during a non-peak period.
- Train back-office personnel to handle routine inquiries during peak time or lunches.
- Consider allowing agents to swap “return” breaks for early release time.
- Transition the routine/common inquiries to a part-time or temporary workforce.
- Reward agents that are open to daily adjustments to schedule changes
- Share a resource or two with a department outside of the call center and rotate non-phone tasks through out the call center
- Move additional (simple) responsibilities to the call center to take advantage of the required “idle” time.

7. *Plan to React in Advance*

Real-time management is thought by many to be a call center savior, but it often drains the energy of everyone involved. Typically larger call centers have people running an “intra-day” desk, continuously monitoring activities and adjusting call routing and agent skills based on internal and external changes.

Small call centers normally don’t have the resource availability or the reaction options of larger centers. Because of this, formal recovery plans are a necessity and everyone needs to understand their role. It is also important that you have a way to communicate the current state to the entire organization. This can be accomplished through the use of wall mounted

reader boards, terminal alerts, or agent phone displays.

Bottom line, the best way to prepare for real-time management is to plan to “react in advance”. This may sound like an oxymoron, but it is exactly what we do in call centers - use historical information to predict future needs. If the planning process has been followed correctly, a call center will have an accurate picture of the interval staffing that is required compared to the staff scheduled.

Your ability to react in advance starts with creating a way to perform an interval gap analysis. This is your daily plan that shows how many people you need by interval balanced against the staff scheduled. Everything that impacts the staffing requirement or staff availability must be continuously updated and reflected in the plan. This provides the opportunity to anticipate service deficits and do something about them in advance. The table below is an example of a tracking tool that can be created to illustrate this opportunity:

Interval	Current Day Schedule (updated for all changes - sick, late, etc)	Minimum Phone Requirement (agents that must be in place for the entire 1/2 hour)	Expected Staffing Variance (Current Day Schedule minus Minimum Phone Requirement)
7:30 - 8:00 AM	14	10	4
8:00 - 8:30 AM	18	17	1
8:30 - 9:00 AM	34	32	2
9:00 - 9:30 AM	36	40	-4
9:30 - 10:00 AM	41	46	-5

In the example, the intervals from 7:30am through 9:00am are expected to have enough staffing to meet the service level objective, but the two subsequent intervals lack the minimum required staffing. By having this information available when the day starts, the call center can implement plans to avoid queues several hours in advance. By not doing anything to address a known staffing deficit, a call center is essentially planning for failure.

No matter how much planning you do, there will be times when things don't go as anticipated and you'll have to react on the fly. A common mistake in small call centers is to implement their recovery plan too quickly. It is important to remember that queues aren't necessarily a bad thing and when managing to a service level are actually part of the overall plan. Another consideration is the fact that small call centers typically have longer hold times for those calls not answered within the service level objective. If a real-time recovery plan is implemented too often and too quickly, those tasked with reacting will soon lose faith in the process and

operational efficiencies will be negatively impacted.

The first step in setting the right real-time queue reaction thresholds is to understand how your volume and service level impact the number of calls and length of a planned delay. Getting it right does involve some trial and error, but you can get a good feel for where to start by spending some time reviewing the output available from a simple Erlang C calculator.

8. Focus on Adherence and Quality

Just about every one of the small call centers that we've partnered with have one thing in common – opportunities to focus their agent's attention on measures that are within their direct control. These measures are also at the heart of running efficient, effective call centers – quality and schedule adherence.

Regardless of size, you must have a formal process in place to monitor and measure the quality of the service your call center is providing. The table below outlines the basics needed in every call center:

	Large Call Centers	Small Call Centers
Develop standards	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ensure consistency (calibrate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Determine approach and frequency	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Monitor and evaluate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Provide feedback	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Identify individual and departmental trends	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Use results to improve the process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Just like your formal planning process, you won't realize the full benefit if any of step is left out. Even when formal processes are in place, there are typically opportunities to add to the frequency or items evaluated. We also run into call centers that don't do this because they don't have automated technology. Don't wait – you can do this by adding basic radio shack type tape recorder to a manager's telephone and begin the monitoring program.

We also frequently find call centers driving the wrong agent behavior by focusing on call volume based “productivity” measures such as:

- Total calls per hour
- Transactions per day
- “Normalized” or “Occupancy adjusted” calls per hour
- Defined talk or wrap time
- Telephone availability
- Individual agent occupancy
- Telephone state utilization

Using any of these measures to drive agent performance calculations can ultimately send the wrong message – provide quality, but hurry. Even when call centers get creative with an overall ranking, we typically find elements that are outside of an agent’s direct control and therefore result in comparisons that are not quite apples to apples.

The way to overcome promoting unhealthy behaviors and unfair comparisons is to set goals around the one telephone measure that is directly within an agent’s control – Schedule Adherence – Did they follow their schedule the way we expected. Call centers can also set goals around items such as attendance and punctuality, but any of the other telephone indicators (handle time, calls, etc.) should be “managed” without defined departmental goals.

When working with centers to improve performance reports, we often get questions regarding how to “control” agent behavior without specific goals. We encourage call centers to start by adopting an operating philosophy that assumes agents are always doing the right thing to provide service to the customers. If for some reason, a call center isn’t comfortable with this mindset, there should be some self-reflection and evaluation of current processes that don’t allow this type of thinking. This is often difficult, but in most cases points out the fact that measures and rewards currently in place may be driving the wrong behaviors in agents and in some cases the management team.

Summary

Running call centers of any size can be a challenge, but as outlined in this paper, the smaller the center, the larger the operational efficiency challenges. To overcome these challenges, managers of small centers need to have a clear understanding and appreciation of call center dynamics. More importantly, they must be able to clearly articulate their challenges and operating dynamics to everyone in the organization to obtain the support needed to operate efficiently. When this understanding is firmly entrenched in the organization, small call centers can meet – and sometimes surpass – the operational results recorded in larger centers.

About the Author:



As a seasoned industry executive, popular speaker and highly regarded consultant, Tim Montgomery has guided thousands of contact center agents and leaders to improve individual and team performance, and exceed operational objectives. Drawing from these interactions and his extensive real-world experience, Tim founded **The Service Level Group** to help contact centers leverage the competitive advantages they have right at their finger tips. During his career, Tim has held a variety of leadership positions – everything from Call Center Manager to Vice President of Sales and Operations. His hands-on contact center leadership experience was fine-tuned by working for three of the most celebrated service companies in the world – **USAA, The Coca-Cola Company and The SCOOTER Store**. Prior to founding **The Service Level Group**, Tim spent three years as a Consultant, Seminar Leader, and Technology Advisor with **Incoming Calls Management Institute (ICMI)**. Tim's expertise in customer service and contact center operations allows him to lead a wide range of consulting engagements for companies in a variety of industries. His consulting partners have included some of the most recognized companies in America - **AIG, Lifetouch Publishing, Mitsubishi Motors, Premera Blue Cross, Deluxe Printing, Allstate, Kodak, Liberty Mutual, Cinergy, Meguiar's and The Gartner Group**. Tim has written articles and whitepapers on a variety of management, customer service, and call center topics and has been featured in many global publications. Tim earned both his BBA in Accounting and MBA degrees from the University of Texas @ San Antonio. Tim can be reached directly at TimM@ServiceLevelGroup.Com