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Effective Call Center Management: Evidence from Financial Services

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Anthony M. Santomero
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Effective Call Center Management: Evidence from Financial Services   [1]

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Abstract: Call centers are quickly becoming the major point of contact for serving customers and generating new revenue in a variety of industries. No where is this growth in the importance of call centers more apparent than in the financial services industry. This paper presents the results of a survey of the management of call center operations at major financial service firms. The results clearly indicate the importance of human resource management practices and technology in creating high-performance call center environments.

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1. Introduction

Financial institutions are in the midst of major changes in the choice and investment in delivery channels. Call centers, which had previously been viewed as little more than lower cost channels for customer problem resolution, are quickly becoming a powerful means of service delivery with a potential for substantial revenue generation. Although much literature has recently been written about various ways to steer customer interactions to sales opportunities (Hamblen, 1997; Dorf, 1997), the topic of effective service delivery has almost entirely been overlooked. Before being able to generate revenue through the call center, institutions have to fully understand and be able to implement superior customer service.

Service delivery can be a source of significant differentiation between call centers of various financial institutions (TARP, 1997). Each service interaction forms the basis of consumer's perceptions of the overall quality of an organization. How well a business is able to manage and implement the service delivery process has a direct effect on retention of existing clients, and can have a significant impact on acquiring new business. The result is that satisfaction is based on how well an institution meets and exceeds a customer's expectations in every interaction.

There are many aspects of an institution's operations that affect the customer experience. The service delivery process is influenced by quality of personnel, information technology, internal processes, human resource practices, and even an institution's own change orientation. This study will develop a model that will derive correlation between effective service delivery via the phone channel and its primary drivers.

The theoretical framework proposed in this study establishes causalities between a desired outcome (effective service delivery) and its primary drivers. Figure 1 presents the proposed model for effective service delivery. The three primary drivers of the quality of an organization's service delivery are (1) effective people, (2) effective internal processes, and (3) effective information technology. The reason this study uses the word "effective" is to clearly make the point that individual elements of this mix may be better or worse across different institutions, but making them work together effectively is the key to developing world class service delivery.
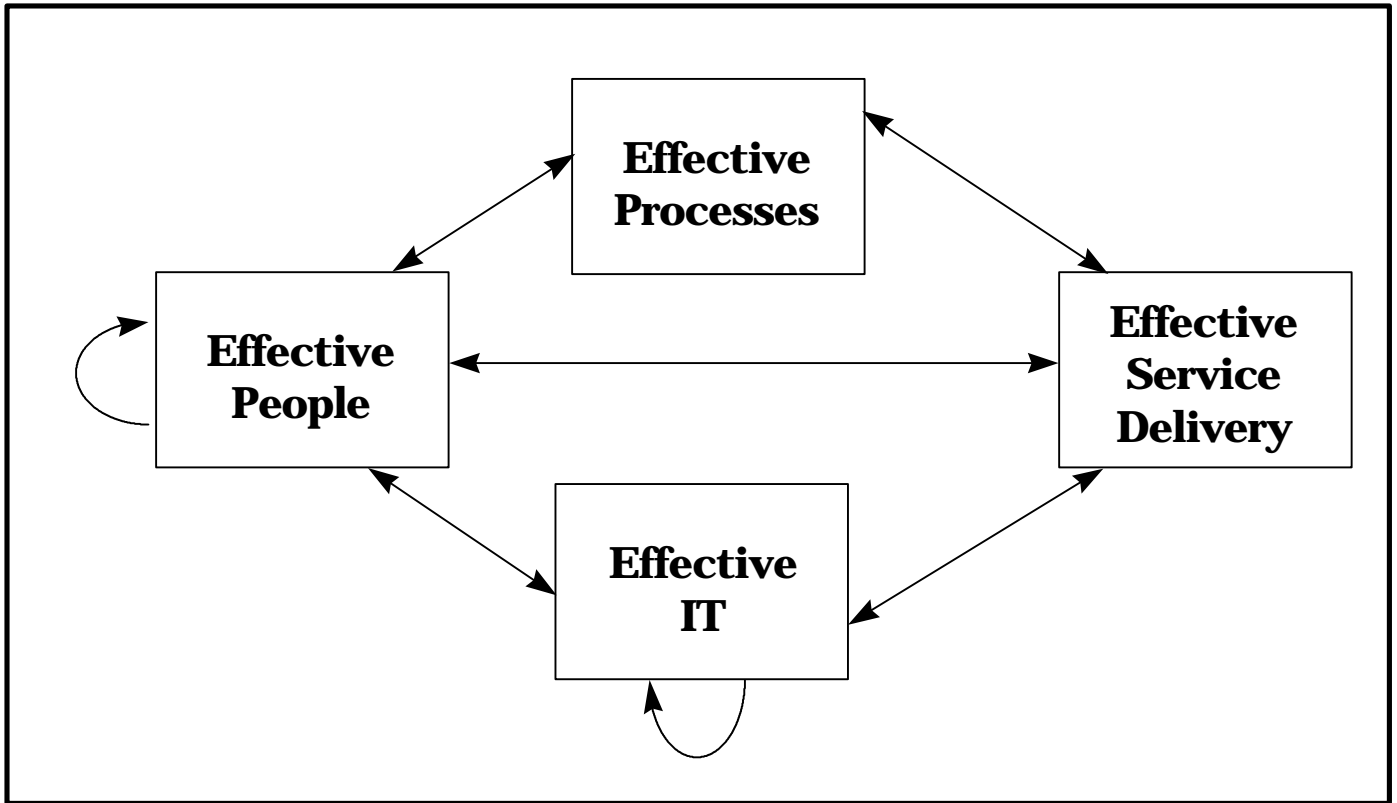
Figure 1

Theoretical Model for Service Delivery

2. Literature Review

The majority of academic literature having to do with service delivery via the phone channel concentrates primarily on the use of information technology and human resource practices. Literature having to do with technology selection and implementation (Dunlap & Volpe, 1998) concentrates on optimizing the various phone-related technology applications call centers currently use. Human resource research spans from the productivity benefits resulting from empowered workers (Schneider & Bowen, 1993; Schlesinger & Heskitt, 1992) to the potential benefits of a CSR's responsiveness to customers during a service interaction (Doucet, 1998).

Consultants have done considerable work in the area of call centers of financial institutions (TARP, 1997). These analyses attempt to quantify monetary benefits associated with improved service interactions. The benefits are typically a result of improved customer retention or increased repurchase intention.

This paper examines the links between the various elements of a call center's operations. Specifically, it is aimed at understanding how the various elements of the service delivery process (Technology, Human Resources, and Processes) influence each other and ultimately the affects each has on service delivery.

3. Theoretical Model

This section defines the elements of the model proposed in Figure 1 for capturing the relationships between the drivers of effective service delivery.

Effective Service Delivery. In financial services, there are both internal and external quality measures that are used to evaluate performance. External measures are typically based on customer perceptions of service quality, which are obtained through surveys and focus groups. Although these measures can be effective in guiding an institution's performance closer to its clientele's needs, they are not very effective when compared across institutions. There are many measurement-related reasons why this is the case, but even more fundamentally, an argument can be made that results vary based on the way in which an individual's expectations are formed.

The expectations of customers when interacting with a financial institution via the call center are not based on past experiences with the branch, or even with competitor's call centers. They are instead a function of the customer's own experiences with a myriad of phone service deliveries. These can range from apparel catalogs to pizza delivery; with each experience elevating a customer's definition of quality service delivery and effective selling techniques. When judging their own service quality, financial institutions need to evaluate themselves on objective measures which span across industries.

To eliminate any measurement/perception discrepancies, this paper will focus on an internal, unbiased measure of service quality that can be compared across institutions. We will use two proxies for service quality: customer hold and system time, and an institution's tenacity for eliciting customer satisfaction. We believe these measures adequately reflect a financial institution's use of internal resources, as well as its customer-focus.

Effective People. Since the primary interface between a financial institution and its customer is a service representative, this element strongly influences an institution's ability to deliver quality service. An organization's human resource (HR) practices effect how well its employees are able to perform. More

specifically, human resource practices directly influence how knowledgeable an employee is about the product offering, whether or not an employee is empowered to resolve customer issues in real time, and the level of turnover within the organization.

Effective Processes. An institution's internal processes strongly influence the quality of customer interactions with that institution. Ideally, a process is designed and implemented in a manner to most effectively utilize all the elements of a call center's operations. For instance, if the processes are set up to sense shifts in attitudes, needs, or perceptions an institution can quickly act upon those influences to gain an advantage over the competition. Similarly, how quickly those responses can be implemented is a direct function of the flexibility of the processes.

Effective Technology. Information technology has the potential of being a significant source of competitive advantage. Not only will this technology enable institutions to more closely ascertain and align themselves with their client's needs, but also has the potential of significantly improving the effectiveness of both the internal processes and personnel. With the right use of technology, all other drivers of service delivery can be made more flexible, faster, and more effective.

The theoretical model depicted in Figure 1 is intentionally high-level in nature. The Literature Review section of this paper alludes to the fact that this study is one of the first to attempt to understand the inter-relationships of the elements of a call center's operations and how they ultimately influence service delivery. To that end, a secondary purpose of this study is to verify and/or dispel some of the industry hypotheses that call centers and researchers have come to believe.

4. Empirical Analysis of the Model

In order to test the theoretical linkages described in Figure 1, a detailed survey was conducted of eleven major financial service firms; this survey is reproduced in Appendix B. The goal of this survey was to obtain metrics on practices which drive effective service delivery. The metrics were then grouped into supersets (which we will refer to as proxies) and analyzed to understand the relationships between them.

This section will be broken down into two sections: definitions and results. The definition section describes the proxies that were used for each of the elements of Figure 1, based on the data that we were able to

obtain from the financial institutions we surveyed. Section 4.2 reveals not only the findings of the regressions, but also our interpretations as the possible implications of each result.

4.1 Elements of the Model

The following section summarizes the definitions of the various proxies used in our analysis. Each subsection will include the proxies used for each element in the theoretic model depicted in Figure 1. It is important to note that in some cases the proxy used may not be ideal for describing a particular element of a call center's operations. However, in each case the proxy was chosen because of ease of measurability and our ability to capture consistent data across eleven financial institutions.

Effective Service

As our goal was to eliminate measurement and perception discrepancies as much as possible, we chose measures of service effectiveness that could easily be compared across call centers and that each call center was likely to track. The two measures we use going forward are:

- Efficiency - The average amount of time a customer spends waiting to speak to a CSR. A low wait time implies higher efficiency, as that call center is believed to be better able to handle the call volume with which it is faced.

- Customer-focus - The tenacity of eliciting customer satisfaction. This is a measure of how often and in which manner an institution chooses to elicit customer response. A high number implies an institution is more aggressive at eliciting customer inputs and therefore more likely to be aligned with customer needs.

Effective Information Technology

After asking financial institutions a myriad of questions regarding technology uses, it became obvious that the only ones that we could consistently compare across call centers is the automated voice response system (VRU). As a result, the two proxies that were used for the effective IT element of a call center's operations were:

- VRU Complexity - The number of touch-tones necessary to reach the single most common transaction performed in the VRU.

- VRU's Customer-Focus - The percentage of incoming calls that are entirely handled in the VRU. A higher percentage implies a "smart design", whereby an institution has designed its VRU to be responsive to its customer's needs.

The metrics which we have no information on, but are certainly critical to developing a comprehensive model, are the internal uses of IT resources. In further research, it would be interesting to understand how information technology is used by various institutions to facilitate a CSR's information requirements.

Effective People

This element of a call center's operations seemed to be the one where data was not only readily available, but could easily be compared across institutions. This is perhaps, as the Literature Review section would suggest, a result of the amount of focus the industry and academia has placed on optimizing the human resource aspect of the call center.

- Empowered Employees - The amount of freedom a CSR is given to handle calls that concern a threat of a customer defection. A high percentage of calls of this nature handled without having to transfer to a specialist or supervisor implies high employee empowerment.

- Turnover - The average number of CSRs to leave an organization compared to the average number employed in that organization in the previous year. This is an important proxy as call centers all realize that high costs associated with recruiting and training quality personnel.

- Tenure - The average number of years CSRs are employed by the call center.

- Not Utilized - Referring to the amount of time a CSR spends at work during which he/she is not answering the phone, doing paperwork, or in training.

- Generalist/Specialist - The percentage of incoming calls which are completed without transferring to another CSR. A high percentage implies that CSRs are generalist and are capable of solving a variety of customer issues. Alternately, low percentage implies CSRs are specialists and transfer calls that are not in their area of expertise.

In further research, it would be interesting to include job satisfaction metrics in the model to understand how a CSR's own perceptions of their job and work environment effect every element of the service delivery model.

Effective Processes

This element refers primarily to the types of inbound and outbound calls handled by the phone center. Inbound calls are either related to a specific need (such as product information or account information) or

are general in nature. Outbound calls range from sales/telemarketing functions to ones aimed at customer retention.

In further developing the model it would be interesting to understand how a call center's internal practices and overall change orientation effect the service delivery process.

4.2 Drivers of Performance

This section describes the results of the study. Each subsection includes information relating to internal drivers of a particular measure (for instance how human resource practices tend to affect each other), possible relations between drivers of performance and finally, how a particular element relates to service delivery. The format is to state a particular finding (based on a statistically significant correlation) and then give a rationale as to why this phenomenon occurs.

The table in Appendix A summarizes all statistically significant correlations, the sign of each correlation, and the number of institutions used in each regression.

Information Technology

As described in Section 4.1, the elements of IT that our model includes are ones that are front-end in nature, in that they refer primarily to the VRU. We concentrate our research primarily at the annual IT spending levels across institutions and at direct customer interactions with that IT (VRU).

Internal Drivers of IT

- *The higher the annual IT spending, the more complex the IT.* This result implies that as institutions spend more on IT, they are more likely to build additional complexity into their system.
- *The more complex the IT, the less calls are able to be handled by the VRU; resulting in customers bailing out and choosing to deal directly with an agent.* This result confirms conventional wisdom, whereby as a VRU becomes difficult to navigate, customers will not bother trying to figure it out.

At this point, it is important to note a potential downward spiral that may result from a combination of the preceding findings.

In high turnover environments, more spending is diverted from labor to IT. However, higher IT spending results in a more complicated VRU that is difficult for customers to use. Customers balk at this complexity and bail out of the system, requesting to speak to an agent. These agents are likely less capable of resolving the customer's problems due to the original shift in resource allocation from labor (in particular, training) to IT.

Correlation between IT and People

- *In situations where VRU's are customer-focused, CSR's tend to be generalists*. If VRUs are able to effectively handle a large portion of customer's requests, CSRs are left to handle more challenging problems in a variety of contexts. In this environment, CSRs have to be capable of dealing with broader issues, thereby being far less likely to be specialists.

- *Institutions which have high annual IT spending, have more empowered employees*. This result implies that IT dollars are being spent on facilitating the work environment for empowered CSRs to be more effective.

- *In high turnover environments, VRUs tend to be equipped to handle a larger percentage of calls*. This result implies a "smart design" in that institutions that realize that they are continually training new CSRs due to the high turnover, build more functionality into the VRU.

Correlation between IT and Effective Service

- *Higher annual IT spending, results in higher system efficiencies*. Institutions that spend more on IT also provide shorter wait times for customers. This implies that these institutions are spending their money, at least in part, on system efficiencies.

- *The more complex the IT, the less customer-focus*. Institutions that make it difficult for customers to navigate the VRU, tend to have lower overall customer-focus. This implies that institutions that have not considered the customer's perspective in the VRU, have similarly not considered it throughout the rest of the call center.

- *The higher the VRU's customer-focus, the higher system efficiencies.* Institutions that design a VRU with a customer's needs clearly in focus tend to have shorter wait times, which is consistent with having a customer-centric focus.

Effective People

Human resource practices greatly effect a call center's overall performance. This subsection sheds light on some of the key implications of these practices.

Internal drivers of Effective People

- *Institutions that have higher average tenures also have lower turnover.* This result indicates that there is no evidence of "short-term churn". In other words, it is not the case that the majority of CSRs that leave an institution do so at the very beginning of their employment.

- *Turnover is lower in organizations where the CSRs come from within, and higher if CSRs come from another organization.* Institutions that have "career pathing" in call centers, where employees understand their career opportunities within the organization, tend to have lower turnover.

- *Organizations that have fewer empowered employees have higher turnover.* This seems to indicate people's preference for having more responsibility in the work place, and feeling capable of dealing with broad ranges of issues.

- *The more employees are not utilized, the lower the turnover.* This seems to imply (as intuition would suggest) that the more pleasant the work-environment, the less likely employees are to leave.

Correlation between People and Process

- *If inbound calls concern sales, they are transferred to a specialist.* This result indicates that most organizations have distinct sales and service functions, and service representatives transfer sales-related calls to that function.

- *The more CSRs are not utilized, the higher the number of outbound customer retention calls made.* This result indicates that as more capacity is built into the system, more time is being spent on customer retention.

- *If an institution outsources any part of their organization, the turnover of inbound sales reps tends to be lower.* Most institutions indicated that the majority of their outsourcing is related to large campaigns. The inbound calls from these initiatives would overwhelm the call center, so the institution outsources these calls. This outsourcing leaves the inbound sales reps happier, and less likely to leave.

Correlation between People and Effective Service

- *An institution's efficiency goes up if employees are less empowered.* If supervisors handle the threat of customer defection (instead of letting CSRs handle those cases), the average hold times for the call center go down.

- *Institutions that have higher employee empowerment tend to have higher overall customer-focus*. Institutions that allow CSRs to handle more customer issues, believing that customers prefer not to be transferred to different part of a call center to resolve a single issue, tend to have higher customer focus.

- *Institutions with greater customer-focus have higher average labor spending*. This implies that customer-focus does not come without additional costs.

- *Institutions with more customer-focus have a higher percentage of not utilized work hours*. Institutions that care about clients also care about making a more comfortable work environment for their employees.

Effective Process

This section primarily deals with how well call centers are able to handle various inbound and outbound call mixes.

Correlation between Effective Process and Effective Service

- *Institutions that make large numbers of outbound sales calls tend to be less customer-focused*. This seems to imply that as institutions get caught up in telemarketing, they lose customer-focus.

- *Institutions who outsource tend to have lower service levels*. There are two possible explanations for this phenomenon. The first reason is that if outsourcing is done simply for the purpose of lowering cost, the focus on a customer's needs may become secondary. The second explanation has to do for the reason behind outsourcing. If a call center chooses to outsource because they are finding it difficult to manage the call volume, their focus is clearly not on meeting a customers needs but more likely on fighting more operational issues like staffing levels and call routing.

5. Managerial Implications

The previous section described each result of our analysis and what we believe to be the implications of those results. This section summarizes what we believe to be the key findings of this study, and what issues managers should be cognizant of in managing their own call centers.

1. Effective service delivery is critical for client retention and sales. Although most call center managers would agree with this statement wholeheartedly, it sometimes proves difficult to justify additional investment into an entity that is typically thought of as a cost center. The TARP (1997) study attempts to quantify some of the revenue benefits associated with effective service delivery.

2. Customer-focus goes hand in hand with employee focus. Our findings indicate that institutions that tend to focus more on their customer also do so with their employees. Employee focus comes in the form of increased empowerment, higher labor spending, and better work environment for CSRs.

3. Turnover is much more heavily influenced by work environment, rather than compensation. This finding implies that, all else being about equal, employees are more likely to leave for work environment issues, rather than money. (This does not imply that call centers can pay CSRs significantly lower than their competitors and expect them to stay.)

4. Additional capacity results in lower CSR turnover, and a greater potential for increasing customer retention. Customer retention is critical for financial institutions. Studies have indicated that the costs of attracting a new customer are five times (American Bankers Association, 1995) that of retaining existing clients. Furthermore, given the ever-increasing number of call centers, the costs associated with attracting, screening, and training personnel are far from trivial.

5. Outbound sales efforts can shift attention away from effective service delivery. This finding has an interesting "spiral" implication. As financial institutions attempt to sell more (to new or existing clients) they lose sight of customer service. As service drops, retention becomes a problem. With lower customer retention, not only do sales to existing customers drop, but also there is a significant cost increase due to attracting new customers. Once these new customers come in, however, the lower service will only serve to drive them away.

6. IT spending needs to be closely monitored to ensure "smart design" versus increased system complexity. Call centers need to continually question the true benefits derived from additional information technology spending.

7. Outsourcing can result in a shift of focus away from the customer. All decisions taken by the call center have to take the customer into account. Often decisions that are made solely for the purposes of cost savings tend to have a negative impact on customer service.

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Appendix A: Correlation Table

PROXY 1	PROXY 2	COEFFICIENT	P-VALUE	R^2	DATA POINTS
VRU Complexity	IT Spending	19.27	.055	67.7%	7
CSR Turnover	CSR Empowerment	-.344	.093	55.2%	9
CSR Turnover	Tenure	-.02	.05	41.5%	7
CSR Turnover	Recruited from within	-.47	.006	92.2%	7
CSR Turnover	Recruited from outside	.29	.03	78%	7
CSR Turnover	Work Environment	-1.21	.04	52.1%	9
Avg. Hold Time	IT Spending (per FTE)	-.0022	.05	48.4%	10
Avg. System Time	IT Spending (per FTE)	-.0035	.02	71.1%	9
Customer-focus	IT Spending (per House)	.444	.04	43.9%	8
Customer-focus	VRU Complexity	-.8	.05	69.8%	6
Customer-focus	VRU's Customer-focus	21.7	.007	75.6%	6
CSR Empowerment	Avg. System Time	-101	.09	44.2%	7
Customer-focus	CSR Empowerment	8.02	.01	72.3%	7
Outbound Sales Calls	Customer-focus	-5.52	.04	45.1%	6
VRU's Customer-focus	Hold Time	-187.6	.098	41.9%	8
VRU's Customer-focus	Generalist CSRs	7.17	.07	80%	6
Customer-focus	Labor Spending (per FTE)	.0002	.075	34.1%	8
Customer-focus	CSR Empowerment	8.03	.01	72.3%	6
Customer-focus	Work Environment	29.5	.08	33.2%	8
VRU Complexity	VRU's Customer-focus	-12.8	.08	48.1%	7
CSR Empowerment	IT Spending (per House)	.053	.028	58.6%	7
Outbound Retention Calls	Work Environment	.705	.02	54%	6
Turnover	VRU's Customer-focus	.904	.02	58.9%	8
Outsourcing	Inbound Sales Reps Turnover	-.476	.03	59.7%	7
Outsourcing	Avg. Hold Time	39.38	.01	78%	6

Appendix B: Survey

Call Centers

The purpose of this survey is to collect cost, sales, and effectiveness information associated with your organization's *retail consumer phone center operations* **. (Exclude commercial operations.)**

In answering the following questions please consider all retail phone center operations, including:

service, direct sales (inbound & outbound), PC banking, and Internet.

Note: Wherever specific numbers are not available, please estimate to the best of your ability.

(Whenever an estimate is made, place an "e" in the cell adjacent to the estimated answer.)

Please note that it is only necessary to enter responses into the white and gray boxes. The blue boxes will be calculated for you.
Unless otherwise indicated, all answers should reflect *FY 1996* **performance.**

General Background

How many phone centers are within your financial institution?

Please list the following table to describe the differences between the phone centers:

	Location (city and state)	% of Total Call Volume (column must total 100%)	# CSR's	Specialization
Phone Center 1				
Phone Center 2				
Phone Center 3				
Phone Center 4				
Phone Center 5				
Phone Center 6				
Phone Center 7				
Phone Center 8				
Phone Center 9				
Phone Center 10				

Resources

In this section of the questionnaire, our objective is to collect all resources and direct labor costs.

Process Resource Definitions

Full Time Equivalents (FTEs) - One FTE is the equivalent of one person working 40 hours per week for an entire 52 week period. (i.e. 2 part time employees each working 20 hour weeks for the entire year is also equal to 1 FTE, as are two employees which work 40 hour weeks for 6 months of the year). Exempt employees, non-exempt employees, and contractors can all be described in terms of the number of full time equivalents.

In order to develop consistent comparisons, the number of people that you report should:
   a) be those who perform the work, regardless of in which department they reside organizationally
   b) include administrative support people who perform any tasks identified within the program scope
   c) include only clerical/staff personnel and the first line supervisors of those employees
   d) not include Information Systems support who perform maintenance or modifications in support of call center objectives.

Contractors - Non-employees who work under the general supervision of corporate or department management, and are utilized as an alternative to regular permanent employees. They are actually self-employed or employed by a contracting firm (e. g. Kelly Services).

Direct Labor/Contractor costs - Total of base wages or salary, overtime, bonuses, commissions, and incentive pay for all FTEs performing the activities. This category should not include costs associated with support personnel for the call center system(s). Do not include any benefits loaders.

1. Total Number of Call Center FTE's in FY 1996.
   % Full Time
   % Part Time

2. Supervisor to CSR Ratio

3. Number of new FTE telephone CSR hires in FY 1996.

Table 1: Call Center FTEs*

The following table is intended to measure the **average number of full time equivalent employees** working in each subprocess of your
retail call centers in FY 1996. If necessary please allocate partial FTEs based on a 2080 hour year.

Average 1996 FTE's	Employees				
	Supervisors	Customer Service Representatives	Contractors	Other	Total
Service Calls					0.00
Inbound Sales					0.00
Outbound Sales					0.00
Order Fulfillment					0.00
Other					0.00
Totals	0.00	0.00	0.00	0.00	0.00

Table 2. Call Center Labor Cost

This table is intended to capture the direct **annual** compensation for Call Center FTEs. The dollar amount entered into this table should directly
correspond with the number of FTEs in Table 1. Please include all compensation, bonuses and monetary incentives in these numbers. Also include payroll
taxes, workers compensation premiums, state and federal unemployment (FUTA) and other statutory payroll surcharges where applicable. Do not include
benefits or other loaders. If you have employed contractors that do not receive an hourly wage, such as consultants, please include the dollars paid to them
in the cost of contractors column.

Table 2a*

	Employees				
	Supervisors	Customer Service Representatives	Contractors	Other	Total
Service Calls	$ -	$ -	$ -		$ -
Inbound Sales	$ -	$ -	$ -		$ -
Outbound Sales	$ -	$ -	$ -		$ -
Order Fulfillment	$ -	$ -	$ -		$ -
Other	$ -	$ -	$ -		$ -
Totals	$ -	$ -	$ -	$ -	$ -

This table is intended to measure **annual** direct labor costs **other than compensation** including the monetary value of benefits or perquisites.

Please enter the total dollar amount of these items associated with the FTEs included in Table 1. Do not include occupancy or indirect overhead charges.

Table 2b*

	Employees				
	Supervisors	Customer Service Representatives	Contractors	Other	Total
Service Calls		$ -			$ -
Inbound Sales		$ -			$ -
Outbound Sales		$ -			$ -
Order Fulfillment	$ -	$ -			$ -
Other		$ -			$ -
Totals	$ -	$ -	$ -	$ -	$ -

Table 3. Productive Time Availability

Because organizations employ different policies with regard to vacations and other paid or non-paid absences, these policies can obscure performance
differences if not normalized across all participants. For the purposes of this study, we are only interested in comparing the number of productive FTEs-
the total number of sub-process FTEs less the time those resources spend on vacation, sick leave and holidays. An example shows why this is important.

At Company A, corporate policy and union contracts dictate that Company A provide four weeks of vacation to clerks.

At Company B, the same contracts stipulate only two weeks of vacation. Though Company A's clerks have equal per hour productivity

as Company B's, they work less hours during the year and will therefore process fewer invoices than the clerks at Company B.

Use the following definitions to indicate the % of non-productive time for each labor category in each of the subprocesses in the table 3.

Total Compensated time - Total hours for which employees are compensated, including sick leave and holidays.

(e.g. Annual total compensated time of 2080 for a 40 hour workweek.)

Productive time - Actual time resources are available, and at work, to perform the activities including handling calls, training or other productive work.

Should be equal to total compensated time less non-productive time.

Non-Productive Time - Any time spent by resources whose FTEs have been captured in the Table 1 on vacation, sick leave and holidays.

Please indicate in the table below, the **percent** of time employees are available to work. (Productive Time /(divided by) Total Compensated Time)

Table 3.

Productive Time	**Employees**		
	Customer Service Representatives	Contractor CSR's	Total
Service Calls			0%
Inbound Sales			0%
Outbound Sales			0%
Order Fulfillment			0%
Other			0%
Totals	0%	0%	0%

4. Average CSR Productive Time

% Of Time Spent on the Phone (and direct after call follow-up)	
% of Time Spent in Meetings and Training	
% of Time doing Research, Paperwork (Not including call wrap-up), and special projects	
% of Time not Being Utilized (Time available to handle calls and not being utilized)	
	100.00%

Non-Labor Call Center Costs

The following questions collect information regarding the direct and indirect non-labor costs associated with the performance of call center activities. All costs should roughly coincide with FY 1996 data collection. You may choose a representative set of months and annualize the data if anomalies are present.

Non-Labor Operations Definitions

Please use the following definitions when completing the table below.

Information Systems Computer Operations Costs – Information systems costs associated with the operation of the Call Center applications, regardless of the platform (mainframe, PC, etc.) used to run these applications. This category does not include personnel costs associated with supporting Call Center applications, only the allocated costs of operating the computers used to perform call center activities.

Information Systems Programming & System Support and Maintenance Costs – Costs associated with the support and maintenance of call center applications. This category includes the cost of I/S and Call Center resources that perform program modifications, as well as chargebacks.

Contract rate per minute - The contracted telecommunications *BASE* per minute cost of a long distance call.

Training Costs – Costs associated with training Call Center staff and management in payroll policies and operations. Also included should be the costs of training field resources in the Call Center activities that they are required to perform. Training costs should include salaries and benefits of trainees.

Note : Please exclude *one-time* expenses related to system enhancements.

Non-Labor Operations Cost Table
Table 4.

Cost Category	Notes	Cost	Description of Items Included
Information Systems Computer Operations Costs	(Total Annual Cost)		
Information Systems Programming & System Support Costs	(Total Annual Cost)		
Total Telecomm Costs	(Total Annual Cost)		
Telecomm support personnel	(Total Annual Cost)		
Contract rate per minute - *Inbound*	(Base per minute contracted rate)		
Contract rate per minute - *Outbound*	(Base per minute contracted rate)		
Training Costs- *Service*	(Total Annual Cost)		
Training Costs- *Sales*	(Total Annual Cost)		

Please attach the FY 1996 Training Budget for your call center.

Workload

In this section of the questionnaire, our objective is to collect information dealing with the amount of work completed by your organization while performing the Call Center Activities defined by the process scope.

5. How many *accounts* were served by the line(s) of business your call centers support, in FY 1996?

6. How many *households* were served by the line(s) of business your call centers support, in FY 1996?

7. How many active accounts (those having one or more transactions per year) did you serve in FY 1996?

8. What was the total number of incoming service & sales calls (VRU & CSR) *offered* to your call centers in FY 1996?

9. What was the total number of incoming service & sales calls (both VRU & CSR) *handled* by your call centers in FY 1996?

10. What was the total number of outbound sales calls handled by your call centers in FY 1996?

	Yes	No
11. Do you have a prioritization system for handling inbound calls?		
If so, is this prioritization based on:		
customer profitability		
product of interest (e.g. deposit products have priority over asset prod.)		
other (please describe below:)		

12. Of the total number of incoming calls handled by your call center annually:
% Handled by a VRU alone?
% Handled by an Agent?
% Handled by an Agent following VRU access?

13. What % of your agents?:
Take Inbound Calls Only
Do Outbound calls only
Do both inbound and outbound calls, mixed
Do both inbound and outbound calls, but at separate times

	Yes	No
14. Do you have a separate group in the call center dedicated to research/fulfillment of customer requests? (e.g. a group which takes customer generated requests from a customer service representative, and either fulfills the request or hands the request over to the backoffice operations group.)		

Incoming Calls

This table is designed to capture the number and nature of incoming telephone calls. Your response should include the total number of calls handled (as opposed to offered) by your call centers or any facility staffed by the individuals included in your responses in the resource section of the questionnaire. Express the length of calls in seconds (3 min. 15 sec = 195 sec). The totals on this table should reflect all telephone calls handled by your center.

Feel free to estimate if necessary based on your experience or an appropriate sampling method.

Table 5: Incoming Calls

Initiators	% of Total Incoming Calls Handled	Average Length of Call (sec) Average Length (sec)	Goal	Average Length of Wrap-up (sec) Average Length (sec)	Goal	Average Service Time (sec)
VRU Only						0
Account Information						0
Account Service / Maintanance						0
Product Info. / Inbound Sales						0
General Inquiries						0
Complaints						0
Other						0
Totals	0.00%	0.00%	0.00%	0.00%	0.00%	0

This table is designed to capture the sources of your non-telephone incoming requests and inquiries. It should present the total number of inquiries handled by your call centers not handled by a live agent, including those handled by automated systems. Please indicate, in the appropriate column, the number of incoming inquiries you received by each method. (Any contact from the customer that does not involve live interaction.)
Please include any written correspondence received by the call center in the "written" inquiry section.

Table 6: Non Telephone Requests

Initiators	# of inquiries	Actual % Answered in	hours	Goal % Answered in	hours
Fax					
Internet/WWW					
E-Mail Other					
Written					

IVR Message/Answer (Recorded Answering Machine)							
TDD - Telephone Device for the Deaf							
Other							
Totals & Averages	0	0	0	0	0		

15. Please indicate the total number of calls you have received over the last 12 months that required contacting non-call center facilities (branches) to take action.

Table 7

This table is designed to capture the reasons for your outbound calls. These numbers should represent the total number of outbound calls from your call center, including those handled by automated systems. Please indicate, in the appropriate column, the number of outgoing calls you place for each reason.

Table 7: Outbound Call By Type

Initiators	Percentage of Total Outbound Calls	Average Length of Outbound Calls (Sec)	Average Wrap-up from Outbound Calls (sec)	Average Outbound Call Service Time
Credit and Collections				0
Service Effectiveness Programs (Retention)				0
Customer Survey				0
Marketing/ Sales				0
Returned Calls				0
Other				0
Totals	0.00%	No Seconds	No Seconds	0

Effectiveness

In this section of the questionnaire, our objective is to collect quality, timeliness, and other measures of effectiveness associated with performing the Call Center activities defined by the process scope.

16. Please state your average service level for FY 1996.

Goal:		Percent answered in	seconds
Actual:		Percent answered in	seconds

	Yes	No
17. Do you have different target service levels for different customers?		

If so, briefly describe below:

AAA

Other

	Yes	No
18. Is the target service level different for sales inquiries?		

Goal:		Percent answered in	seconds
Actual:		Percent answered in	seconds

	Yes	No
19. Do you have different target sales service levels for different customers?		

If so, briefly describe below:

20. Please state the percent of calls answered and addressed without being transferred to another CSR? (Calls answered by the initial agent. Do not include calls answered by the IVR or VRU).

21. Please state the percent of inquiries answered on the first call, regardless of whether the customer is transferred or is placed on hold?

Goal

22. What percent of total offered calls are dropped from the queue (abandoned calls or abandonment rate)?

(If you ask customers to abandon calls during extreme situations, you should exclude those numbers.)					
					Goal
23. What is the abandonment rate at the call center representative level for FY 1996?					
					Goal
24. What percent of customer calls are blocked?					
(If you intentionally block calls during *extreme* situations, such as weather, you should exclude those numbers)					
					Goal
25. Please state the average time (in seconds) from when the customer enters your system (first ring)					
until they have made all necessary choices in the VRU or are given a message to hold for the					
next available representative. (For the "typical" single highest volume inquiry.)					
				From	To
26. If your answer in #25 differs for different client types, please specify the *range* of the average time *to* hold:					
					Goal
27. Please state the time (in seconds) a customer spends in the queue (on hold) after making all choices in the					
VRU or being asked to hold until they speak to a representative. (For the "typical" single highest volume inquiry.)					
				From	To
28. If your answer in #27 differs for different client types, please specify the *range* of the average time *on* hold:					
	Total Customer time on the line before speaking to a representative.			0	
29. On average, how many touch-tone responses are necessary to reach desired area (if using an VRU)?					
30. Of the total complaints the company receives (calls, letters, e-mail, etc.), what percent are					
about the call center service levels?					
31. For irate, or dissatisfied customers or circumstances in which a threat of customer defection					
has been identified, who handles:					
service reps (no escalation allowed)					
escalation to supervisor (done as a group effort)					
escalation to specialist (done as a group effort)					
help desk or service group					

32. Briefly describe your procedure:

Step 1	
Step 2	
Step 3	
Step 4	
Step 5	
Step 6	
Step 7	
Step 8	

33. Briefly describe the process of a sales inquiry which gets initially routed to a service representative:

Step 1	
Step 2	
Step 3	
Step 4	
Step 5	
Step 6	
Step 7	
Step 8	

	Yes	No
34. Does your company outsource any portion of your call center to another firm?		
If so, what does this company do?		

35. What is the average number of years of education past high school for your CSRs.

—Total Force	
—New Hires	

36. What was the number of FTE CSR's (service and sales) to leave your call centers in FY 1996?	
(Either for alternate employment within your organization or in some other organization.)	
Your CSR turnover rate is:	#DIV/0!
(Calculated by: answer to #36 /(divided by) reported FTE CSR's in Table 1)	
37. What was the number of *inbound sales* FTE CSR's to leave your call centers in FY 1996?	

	Your inbound sales CSR turnover rate is:			#DIV/0!		
38. What was the number of *outbound sales* FTE CSR's to leave your call centers in FY 1996?						
	Your outbound sales CSR turnover rate is:			#DIV/0!		
39. What is the average tenure of your CSR force?						
40. What percentage of your CSR new hires come from:						
	Home					
	High School					
	College					
	Within your organization					
	Other organizations					
	Must Total			100%		
41. After how many months is a CSR considered fully saturated (at the peak of their skill level)?						
42. What percent of **sales** phone center representatives :						
	Never show up after acceptance					
	Resign during training					
	Resign within the first three months and leave your institution					
	Resign within the first year and leave your institution					
	Resign after 18 months and leave your institution					
	Move up in the organization					
43. What percent of **service** phone center representatives :						
	Never show up after acceptance					
	Resign during training					
	Resign within the first three months and leave your institution					
	Resign within the first year and leave your institution					
	Resign after 18 months and leave your institution					
	Move up in the organization					

				# of Times per Year Conducted
44. What methods do you use to determine your customer's satisfaction ("X" all that apply).				
	Customer Surveys			
	Customer Complaints			
	Customer Turnover (Churn)			
	Focus Groups			
	One-on-one Interviews			
	Call Monitoring			
	Interviews or Surveys of CSRs			
	Customer Advisory Boards			
	Other			
45. What is the annual cost of external quality measurement systems utilized for FY 1996?				

		Yes	No	
46. Are phone representatives monitored for call quality?				
If so: Who performs the monitoring?				
	separate monitoring/quality assurance group			
	coaching unit			
	supervisors			
	other representatives			
	other (please specify below)			
	Which of the following components of call quality are tracked?	Yes	No	
	Accuracy			
	consistency			
	tone			
	in depth knowledge			
	communication skills			
	compliance			
	other (please explain below:			
	Customer Service			
	How often is a phone representative monitored?			
		Yes	No	
47. Do you track customer receptivity to outbound calls (e.g. internal studies)?				
If so, please describe:				

					Yes	No		
48. Did you, in FY 1996, have software that will prompt call center representatives with what to sell to a client based on past or current behavior? If so, please describe:								

49. Are there currently development efforts for data-mining or AI techniques which target sales/products based on behavior? **Yes   No**

50. Are sales costs calculated differently based on whether they are inbound or outbound in nature? **Yes   No**
If so, please describe the differences in the calc. below:

51. Do the cost of sales calls differ based on product type (e.g. credit versus deposit product)? **Yes   No**
If so, please describe the differences in the calc. below:

52. Are you familiar with the costs of transactions performed within a branch? **Yes   No**

If so, what are the approximate costs for the following transactions:

	Branch	VRU only	Phone Rep
account balance inquiry	$ -		
address change			
opening a new account			
please specify type of account below:			

53. Does your call center receive revenue credits for sales? **Yes   No**

54. What are the primary components of your call center's sales revenue credits? **Yes   No**
Customers that are owned by the call center?
(i.e. customers which do not belong to a branch)
Product upgrades
New Enrollments
Other (Please describe below)
Affinity + certain national customers are not served by the branch.

55. How are the above revenue allocations determined?

56. For VRU calls, do you charge transaction fees? **Yes   No**
If so, what are the thresholds for:
Minimum balance
Number of VRU transactions per month (after which you start charging usage fees)
What is the fee, if charged, per call?
What was the total income for FY 1996 generated by VRU fees?

57. For customer service representative calls, do you charge transaction fees? **Yes   No**
If so, what are the thresholds for:
Minimum balance
Number of calls per month (after which you start charging usage fees)
What is the fee, if charged, per call?
What was the total income for FY 1996 generated by CSR fees?

58. Consider an inbound sales call for a typical credit product (e.g. installment or home equity loan) that was *not* the result of a targeted direct marketing:

What percent of the inquiries are:
handled solely by the VRU
obtain information from the CSR and decline the application
obtain information from the CSR and accept the application
accept application and don't apply
accept application and apply
accept application, apply, and are declined

			Yes	No	
	accept application, apply, are approved and don't purchase				
	accept application, apply, are approved and purchase but don't book the business over the phone (i.e. actual sale occurs in branch)				
	accept application, apply, are approved and purchase and book over the phone				
		Must Total			
			Yes	No	
Do the above rates differ for deposit products (e.g., DDA, CDs)?					
If so, for deposit products, what percent of the inquiries are:					
	handled solely by the VRU				
	obtain information from the CSR and decline the application				
	obtain information from the CSR and accept the application				
	accept application and don't apply				
	accept application and apply				
	accept application, apply, and are declined				
	accept application, apply, are approved and don't purchase				
	accept application, apply, are approved and purchase but don't book the business over the phone (i.e. actual sale occurs in branch)				
	accept application, apply, are approved and purchase and book over the phone				
		Must Total	100%		

Technology

			Yes	No	
59. Does your center utilize a VRU to help decrease incoming calls?					
60. If so, what issues may a customer completely resolve using the VRU?					
61. What is the call completion rate on your VRU?					
62. What do customers use as an ID to use the VRU? (Please "x" appropriate box)					
	Social Security Number				
	Account Number				
	Phone Number				
	Pin Number				
	Spell or Say Name				
	Other				
63. Do you have CTI capabilities?					
	If yes, do you receive screen pops?				
64. Do you have any telecommuters?					
	If so, how many?				
	What percent of your total call center workforce telecommutes?				
65. Do you have a web page/home site for customers to access?					
66. If so, what capabilities does the site have (please check all that apply)			Now	Planned	
	General Company Information				
	Account Balance Information				
	Place Orders				
	Track Orders/Shipments				
	Receive Technical Assistance				
	Complain				
	Resolve Customer Service Issues				
	Other (Please List)				
67. In what way do you currently use any form of imaging to improve information availability in the call center?					
(Do representatives have the ability to view customer documents on-line while speaking to the customer?)					

General Company Information

68. How many locations does the company serve?					
	# of states				
	# of countries				
69. Who should we contact with questions about the submitted data?					
	Contact Name and Title:				
	Phone Number:				
	Fax Number:				
	Address:				

	*							
	Page 2 Table 1	1. Contractors = temporaries						
		2. Other = overtime						
		3. Service calls = market						
		4. Order Fulfillment = Channel Services						
		5. Customer Service Representativess include Leads						
		6. Table 2a (Page 3) only tracked in aggregate. Supervisors not tracked						
	Page 2 Table 2 B	7. $30,221 includes benefits and equipment. $23,988 includes everything but benefits.						
		8. Channel Services not broken out.						
	Page 5 Workload	#5 & 6 Deposits & loans: 8 m deposits & 4 m loans						