



WORLD CLASS CALL CENTER

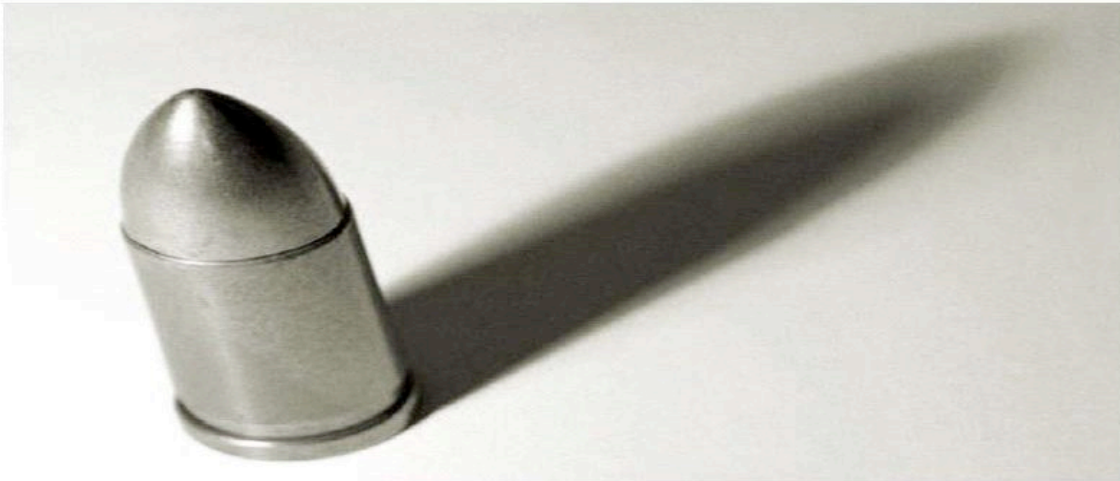
**Best Practices for Improving Your
First Call Resolution, Employee Satisfaction
and Customer Satisfaction Performance**

MIKE DESMARAIS

First Call Resolution

- The Silver Bullet Metric!

Written By Mike Desmarais, President and Founder of SQM Group



SQM is often asked, "What are the most important metrics for measuring and managing call center customer service and cost performance?" The traditional operational metrics such as service levels, speed of answer, talk time, wrap-up time, calls handled by CSR, abandon rates, occupancy rates and call monitoring scores are all good metrics that call centers should continue to use. However, it is SQM's opinion that traditional operational metrics are not proxies for measuring the effectiveness of the call center's customer service or the efficiency of the call center's operating cost practices.

We have worked with many call centers in which the service levels are below their targets but their Csat is improving. SQM has also seen call centers where their number of calls handled per CSR went up and their FCR rate dropped.

The metric SQM believes is most important for measuring and managing call center customer service and cost performance is...you guessed it...FCR.

Given FCR's importance as an effective metric for measuring call center customer service and cost performance, it is difficult to understand why only approximately 50% of call centers actually measure FCR. Perhaps it is because the FCR metric is a relatively new metric as the vast majority of call centers have only been measuring FCR for less than three years. The call centers that do measure FCR performance do so through some type of an internal method (see Figure 64) instead of using the VOC to determine their FCR performance. SQM's research shows that 70% of our call center clients that measure FCR through the VOC method improve their FCR performance year over year.

Focusing on FCR will provide your call center with the following five benefits:

1. Reduce operating costs – if you are running a 68% FCR rating, which is the call center industry benchmark average, you need to understand that, potentially, 32% of your customers will have to call back because their issue was not resolved on the first call. It is also important to note that the call center industry average is 1.5 calls to resolve a customer's inquiry or problem. This represents an enormous opportunity to reduce your call center's operating costs; in many call centers, this is the biggest opportunity to reduce operating costs.

2. Improve Csat – for every 1% improvement in FCR, you get a 1% improvement in Csat. FCR is highly correlated to Csat. In fact, FCR is the highest correlated measure to Csat of all the call center metrics. The absence of FCR is the strongest driver of customer dissatisfaction.

3. Increase opportunities to sell – when a customer's call is resolved you increase the customer cross-selling acceptance rate by 20%. SQM's research shows that customers' needs must be resolved before the CSR has earned the right to move on to any type of sales activity. If the CSR cross-sells before the inquiry or problem is resolved, the customer typically becomes irritated and feels that the organization is pushing its needs, rather than serving the customer's needs. As a result, the fundamental customer relationship is undermined.

4. Improve Esat – SQM's research clearly shows that call centers with high Esat also have high FCR. Conversely, call centers with low Esat have low FCR. The level of stress is very high for the CSR who handles the second and third call from a customer whose issue was not resolved the first time. We believe that improving FCR improves both Esat and Csat.

5. Reduce customers at risk – SQM's research shows that only 1% of customers who have their call resolved on the first call will not continue to use the organization's products and services as a result of their call center experience. However, if the call is unresolved, 8% of customers will not continue to use the organization's products and services as a result of their call center experience.

Defining FCR

Many call centers struggle with determining their FCR performance. The main reason for this is because they find it difficult to define and measure FCR. It has been SQM's experience that call centers are inconsistent in defining FCR and the methods they use to measure FCR. SQM is often asked, "What is the difference between FCR and call resolution?" The main difference is that call resolution may take more than one call to achieve resolution, whereas FCR takes only one call to resolve.

SQM's definition of FCR performance is the percentage of customers who achieved call resolution in one call

Here is a list of best practices for measuring FCR:

- ❶ FCR is determined by the customer who made the call.
- ❷ The customer is asked to complete a post-call FCR survey.
- ❸ In the post-call FCR focused survey the customer is asked, "Was your call resolved?", and, "How many calls did you make to resolve your call?"
- ❹ If the customer said their call was resolved and in one call, then the customer experienced FCR.
- ❺ If only one call is made, the customer is transferred to another CSR and the call is resolved, it is still considered, in most cases, FCR.
- ❻ FCR is achieved even if the call needs to be fulfilled by another employee or department; as long as the customer does not have to call back about the same inquiry or problem.
- ❼ Determine FCR performance by LOB, segment, call center, manager, call type, skill set, customer value, outsourcer, etc.

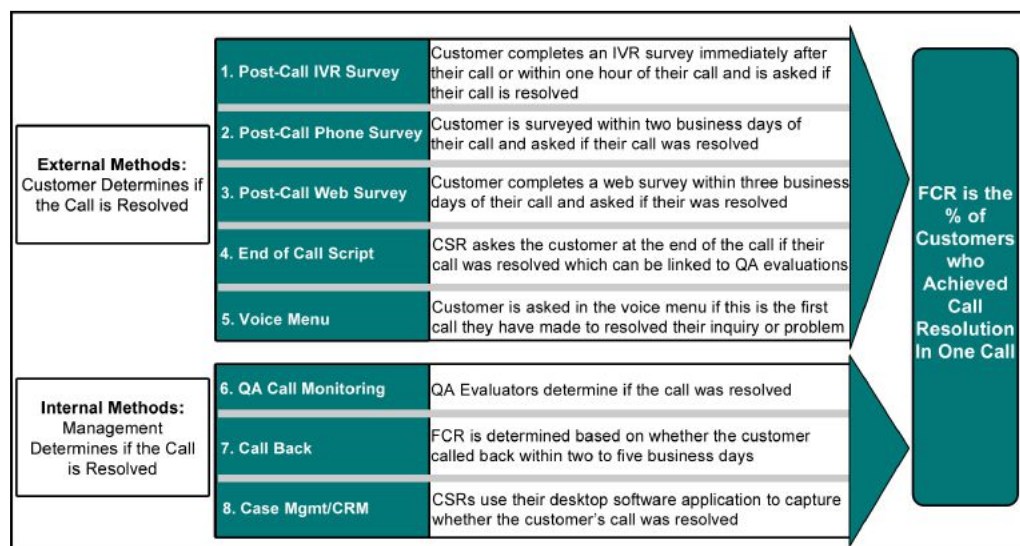
Different Methods of Measuring FCR

Figure 64 shows eight different methods of measuring FCR. The first five methods are external methods, with the outcome being determined by the customer. The last three methods are internal methods, with the outcome being determined by the organization. Call centers may

choose to use internal FCR methods, but these methods are costly, less effective and less accurate than utilizing external methods. Our research shows that when FCR is reported by internal methods, the call center industry average is 84%. However, when FCR is reported by external methods, the call center industry average is 67%. It has been SQM's experience that the internal methods over inflate FCR performance and therefore, when your FCR performance is in the mid-eighties there is no sense of urgency to make improvements. Each method for measuring FCR is useful in helping the call center improve their FCR performance. However, the external method in which the customer determines if their call was resolved on the first call is what matters the most.

Using multiple methods for measuring FCR is a best practice because each FCR measurement method can be used for different insights and accountability for improving FCR performance. For instance, having the CSR ask the customer if they resolved their call, at the end of the call, creates CSR accountability for resolving the customer's call and will also reduce the likelihood of the customer having to call back about the same issue or problem. Using the voice menu or call-back customer information allows the call center's intelligent call routing technology to route calls to the best CSRs. Both of these FCR measurement methods can also be used to calculate FCR performance in real-time. Post-call surveys can provide FCR and call resolution performance data for bonus and recognition purposes from the CSR to the VP level. Most employees find the customer survey results for determining FCR and call resolution performance to be the most credible and accurate measurement method. Also, post-call surveys provide information about whether the call was resolved from a customer's perspective while internal methods measure frequency of FCR and two-plus calls, but cannot truly determine if the customer's call was resolved. Internal methods can be very helpful for root cause analysis in order to determine what is causing two-plus calls and for developing solutions for improving FCR.

Figure 64. External and internal methods for measuring FCR



Call Resolution, FCR and Csat are Leading Indicators

Figure 65 shows the relationship between leading and lagging indicators. In SQM's experience, call resolution, FCR and Csat are the leading indicators of a customer continuing to do business or recommending the organization to others based on their call center experience.

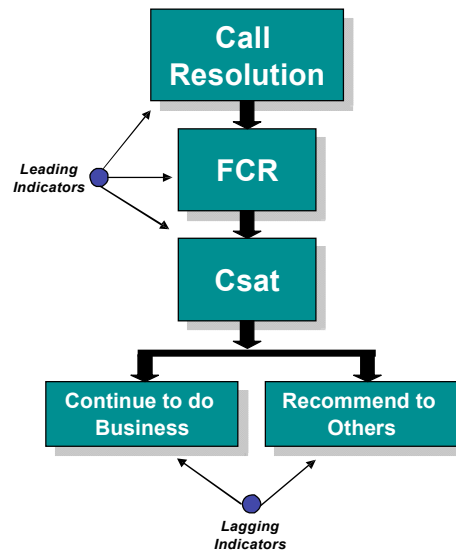
The leading indicator concept is important to note since many call centers want to use "continue to do business" and "recommend to others" as metrics to measure the call center's performance. In order for customers to continue to do business with and/or recommend the organization to others as a result of their call center experience, the call center must achieve call

resolution, FCR, and top box Csat performance. Based on SQM's research, the customer is satisfied when their call is resolved and they are even more satisfied when it is resolved on the first call. In most cases, if the customer is also treated well on the call by the CSR, this becomes a world class call experience for the customer.

The bottom line is that the "continue to do business" and "recommend to others" metrics cascade from call resolution, FCR and Csat metrics.

Another important point to mention is that the statistical correlation among the leading indicators is very high. However, the statistical correlation between the leading and the lagging indicators is only moderately correlated.

Figure 65. Leading and lagging indicators



CSRs Ask Customers if their Call has been Resolved

Many SQM clients have their CSRs ask customers at the end of the call if they have resolved their call. They set a target of 85% or higher of customers that are asked the call resolution question. This practice slightly increases call length; however, the real benefits of this practice is that it increases CSR awareness and accountability to resolve customer calls, reduces repeat calls and improves Csat. It is very important to mention that many CSRs do not like asking the call resolution question. The main reason for this is that if the CSR is not able to resolve the call, they do not want to ask the call resolution question. We have several clients who have discontinued the call resolution question because their CSRs did not like asking that question. When those clients discontinued this practice, in most cases, their FCR and Csat performance decreased. SQM believes it to be a best practice to ask the call resolution question at the end of the call as a way to improve FCR and Csat performance. Many call centers' end of call practices have CSRs ask customers, "Is there anything else I can do for you?" We consider this to be a poor practice because it assumes that the CSR has already resolved the customer's call.

At SQM, we consider the following to be best practices for using a call resolution statement at the end of a customer's call:

- ① CSR summarizes key aspects of the call and next steps
- ② CSR must say call resolution closing statement

Note: The goal should be 85% of the time and business rules need to be developed as to when not to use the call resolution closing statement

- ③ Every customer must be consistently asked the call resolution closing statement

Note: The following are not call resolution statements and should not be used "Have I answered all your questions/concerns", or, "Are you satisfied with the resolution", or, "Is there anything else I can do for you?"

- ① CSRs use the following call resolution closing statements:
 - **"Have I resolved the reason for your call today?"** (90% of the time the CSR asks this version) or
 - **"Have I given you an option to resolve your call today?"** (10% of the time the CSR asks this version)
- ① CSR captures a "yes" or "no" response on a CRM system; for the "no" response, the CSR can use a drop down menu on the CRM system to tag the reason for the call being unresolved
- ① If customer says "no", the CSR can ask the customer, "Why do you think I have not resolved the reason for your call?"
- ① Train CSRs on how to handle customer's "no" responses to the call resolution question
- ① If the CSR cannot resolve the customer's call, the CSR can transfer the call to an escalation CSR
- ① QA team tracks CSR call resolution performance for identifying opportunities for FCR improvements

Use Customer Survey FCR Data and Feedback to Improve

One of the best, if not the best, sources of data for improving customer service and cost is customer survey FCR data and feedback. Customer survey data and feedback provide great insights into the reasons why the customer did not get their call resolved on the first call. Collecting FCR performance data by areas such as LOB, segment, call type, call center, manager, supervisor, CSR, skill set, customer value or outsourcer, via customer surveys will determine the areas that need to be improved. The more areas you can collect customer survey FCR data, the more helpful it is identifying where the opportunities are to improve your FCR performance.

One of the best sources of FCR data that you can collect to improve your FCR performance is by call type. When examining FCR performance by call type, identify main call types (e.g., billing) and corresponding sub call types (e.g., balance, due date, details, explanation, make payment or payment arrangements) as to why customers had to call more than once to resolve their call. It is a best practice to look at these sub call types when determining which areas to improve because they are more granular. Examine the sub call types that have the highest frequency for two-plus calls by call flow, policies, work rules, training, coaching and technology using a Plan, Do, Check, Act (PDCA) improvement process technique or similar improvement process.

Another best practice for using the customer survey FCR data is to conduct customer surveys at both the CSR and management level in order to create VOC accountability at these levels. Also, the customer survey focuses on call resolution, FCR and Csat metrics. SQM's research shows that FCR performance is higher when you conduct customer surveys and create VOC accountability at both the CSR and management level. FCR has a 7% increase over their baseline (before they started their FCR improvement journey) when surveys are conducted at both the CSR and management level. FCR has a 3% increase over their baseline when surveys are conducted only at the management level. Again, the best practice for customer surveying is to conduct customer surveys and create accountability at both the CSR and management level because that is where the biggest improvement will come from due to everyone being responsible for call resolution, FCR and Csat performance.

Create FCR Awareness and Accountability

FCR is not used as a metric for which CSRs are held accountable because on some calls, the customer may have previously talked to another CSR about the same issue or problem. Therefore, the CSR cannot be held accountable for FCR. However, CSRs should be held accountable for call resolution because they have control over resolving customer calls that they handle. CSRs need to be aware that improving their call resolution performance improves the call center's FCR performance.

Creating awareness and accountability for call resolution at the CSR and supervisor levels and FCR at the management level increases the commitment that CSRs have to improving the call center's FCR performance because although employees are focused on common metrics, they are also accountable for different ones. World class call centers use the FCR metric as an accountability metric only at the management level, not at the CSR level.

Listed below are the best practices for creating FCR awareness and accountability:

- ① Ensure all CSRs, supervisors and management are aware of the importance of FCR for reducing operating cost, increasing opportunities to sell, reducing customers at risk and improving Csat and Esat
- ① Incorporate the call resolution metric into CSR and supervisor bonus, recognition and annual performance programs
- ① Incorporate the FCR metric into management bonus, recognition and annual performance programs
- ① Communicate the importance of FCR through training, coaching and team meetings
- ① Review call resolution, FCR and Csat metrics at the same time as they are highly correlated
- ① Communicate CSR, supervisor, management and call center performance frequently in order to focus attention on FCR
- ① Funnel resources, where necessary, to improve FCR performance (e.g., provide training and coaching to improve FCR performance at the CSR and supervisor levels)
- ① Incorporate FCR best practices into existing, new and remedial training programs

CSR Support

SQM's research has determined that when a call center has 80% or higher FCR performance it is performing at the world class level. Only 5% of SQM clients are able to achieve 80% or higher FCR performance. In order to achieve 80% or higher FCR performance supervisors, managers and VPs need to ensure that CSRs have the necessary skills, knowledge, tools and authority to resolve customer calls on the first call. One of the best practices to ensure that CSRs have the necessary skills, knowledge, tools and authority to successfully resolve customer calls on the first call, is to conduct CSR surveys and/or ask CSRs how management is doing in supporting CSRs to resolve calls on the first call. After CSRs provide feedback, make any appropriate changes that CSRs have identified as barriers for them not being able to achieve FCR.

Another best practice for providing CSR support in order for them to achieve FCR is for supervisors, managers and VPs to treat CSRs as an internal customer. When CSRs are viewed as an internal customer, management is more responsive at ensuring CSRs have the necessary support to be successful at resolving customer calls on the first call. Also, when CSRs are treated as an internal customer they become more committed to achieving FCR. It is important to remember that CSRs are the individuals that are handling the customer calls and if they do not receive the necessary support, world class FCR performance or improved FCR performance will not be achieved.

VOC Bonus

VOC metrics (e.g., call resolution, FCR, etc.) should be used as the main component for CSRs, supervisors and management bonus programs. SQM has found that call centers that use VOC metrics as the main component for payout in their bonus programs improve the call center's FCR performance as much as 12%. This improvement can take place in 30 days or less. Aligning bonus program practices to your VOC metrics performance is the very best practice for quickly improving your FCR performance. In fact, it has been SQM's experience that using VOC metrics in CSRs, supervisors and management bonus programs is by far the best practice for most call centers to improve their FCR performance. There are no other people, process and technology initiatives that have a bigger impact on improving FCR performance than a bonus program that is aligned to VOC metrics at all levels.

There are four VOC metrics that world class call centers typically use to create accountability at the CSR, supervisor and management levels. All four are excellent metrics for determining bonus program payout:

1. Overall Csat with the call center
2. Overall Csat with the CSR
3. Customer's call was resolved
4. World class call

It is SQM's preference to use the world class call metric for a bonus program payout. The reasons for this is because this is the same metric that we use for our CSR and supervisor world class call certification programs and it also encompasses the other three metrics. The world class call metric is based on the customer is overall very satisfied (top box response) with their call center experience, is overall very satisfied (top box response) with the CSR and their call was resolved. The CSR and supervisor bonus payout should be 100% based on their VOC performance. Managers above the supervisor level should have 25% to 75% of their bonus payout based on VOC metrics.

World Class Customer Service Certified

Of all the recognition practices used for CSRs and supervisors, the one that has been the most effective at helping call centers improve or maintain their FCR and Csat performance is SQM's certification program. Most of SQM's top-performing call centers use a world class customer service certificate program for recognizing CSRs and supervisors. The basic premise of such programs is to let the customer be the judge of the customer service they receive and to let them determine if they experienced a world class call.

As previously mentioned, a world class call is based on three key performance VOC indicators. If 70% of the required surveys meet the world class call criteria, then the CSR, supervisor or call center that has achieved that level of performance is certified as a world class customer service provider.

Having a certification program based on customers who have used your call center is considered to be the fairest, most accurate and most meaningful way to certify your CSRs, supervisors and call center as a world class customer service provider. CSRs and supervisors have more pride in being certified in this manner than they do being certified by senior managers making a judgment based on traditional operational metrics. From a marketing point of view, advertising to your customers or potential customers that you are a certified world class customer service call center based on customer feedback is the most credible way to tell people that you will take care of them when they call.

FCR Gains From Making Improvements

SQM is often asked by organizations that want to improve their FCR performance, "What FCR performance gains can we expect if we implement specific initiatives or improvements, such as a CSR bonus or recognition program linked to Csat performance?" We have found that by creating awareness and accountability, as well as providing rewards from the CSR to the VP level, can provide up to a 12% FCR gain. *At the CSR and supervisor level they are responsible for call resolution results and at the management level they are responsible for FCR results (see Figure 66). Again, we have seen call centers achieve FCR gains within 30 days of implementing FCR awareness, accountability and reward initiatives.

CSR satisfaction with the call center's commitment to improving FCR can provide up to a 5% FCR gain. The FCR gain from this initiative comes from the CSRs belief that FCR is important to the organization and that the organization is committed to improving FCR for the long term, thus, the CSR becomes more committed. Coaching and training employees to improve their FCR performance has not resulted in substantial FCR gains compared to other improvement initiatives. The main reason for this is that supervisors and management are not skilled at coaching CSRs on how to improve their call resolution and FCR performance. Even though, historically, coaching has not produced substantial FCR gains that SQM can identify, we do believe that proper coaching of CSRs on how to improve their FCR performance will provide substantial FCR gains. It has been SQM's experience that CSR improvement initiatives take 90 days or less to provide noticeable FCR gains.

Most organizational improvement initiatives (e.g., voice menu navigation, verifying request, billing, policies, products and services) have fewer opportunities for FCR gain. The main reason for this is there tends to be many areas that cause two-plus calls and therefore, there could be several reasons why FCR was not achieved. Also, the timetable tends to be longer to implement organizational improvement initiatives because there are more departments involved. In many cases, there is no specific owner for improving the organizational issues that are creating two-plus calls. When an organization begins an FCR journey it is important to gain quick wins in order to establish credibility that their FCR can improve. That is why SQM considers implementing CSR improvement initiatives first, then after successfully implementation, implement the organizational improvement initiatives (see Chapter 11 for details). The average call center that SQM has worked with that has implemented both CSR and organizational improvement initiatives have achieved a 9% FCR gain. The FCR gain that call centers can expect depends on their current performance. Lower FCR performing call centers can expect higher FCR gains than higher FCR performing call centers because there is more room for FCR improvement. Call centers should not expect to achieve the high end of FCR gains for each CSR and organizational improvement initiative. The range of FCR improvement that SQM has experienced for call centers that have embarked on the FCR journey is 5% to 20%, with the average call center experiencing a 9% FCR improvement.

Figure 66. FCR gains from making improvements

FCR Improvement Initiatives	FCR Gain	Timetable to Achieve Gain
CSR Improvement Initiatives		
FCR* Awareness, Accountability & Rewards from the CSR to VP Level	5% - 12%	Immediate
FCR Employee Satisfaction	1% - 5%	3 - 12 Months
FCR CSR Team Meeting	1% - 5%	1 - 3 Months
FCR Coaching at the CSR to VP Level	1% - 5%	1 - 3 Months
Organization Improvement Initiatives		
Voice Menu Navigation	1% - 5%	3 - 12 Months
Automated Verifying/Request	1% - 5%	3 - 12 Months
Billing	1% - 5%	3 - 12 Months
Policies	1% - 3%	3 - 12 Months
Products/Services	1% - 3%	3 - 12 Months
Note: If the FCR program is properly implemented the average FCR improvement is 9%		

Top 5 Barriers for Not Improving FCR

Based on SQM's experience working with clients to improve their FCR performance, we have identified the top five barriers that have hindered these organizations from improving their FCR performance. SQM is very proud that 70% of our tracking clients have improved their FCR performance year over year. However, our benchmarking clients who only conduct one or two studies per year have not had nearly the same FCR success. Most of our key learnings used to identify the top five barriers for not improving FCR come from our benchmarking clients and our low performing tracking clients.

Barrier #1: Lack of management commitment

The biggest barrier for not improving FCR that we see is the *lack of management commitment* at all levels of management. A low FCR commitment at the individual supervisor level has less of a negative impact on FCR performance than at the VP level where low FCR commitment impacts the entire call center FCR performance. The number one reason we experience low commitment to improving FCR performance is competing project initiatives (e.g., workforce scheduling, CRM, training, QA, etc.) and sales initiatives (e.g., marketing, cross selling, product and service selling, etc.). When management focuses on project and sales initiatives, at the expense of FCR initiatives, the message that CSRs receive is that FCR is not as important as the other initiatives. From SQM's point of view, management is missing out on one of the greatest opportunities to improve their operating cost and service. This is especially true for call centers that have less than 70% FCR performance based on customer post-call survey results. SQM's experience is that when management focuses on non-FCR initiatives, their compensation is geared more towards sales, implementing projects or a balanced scorecard where there are so many metrics that there is no meaningful financial negative consequence for not achieving specific metric objectives. Also, some managers believe that implementing these initiatives will improve their FCR performance. At SQM, we have conducted many pre- and post- technology (e.g., workforce scheduling, CRM, QA, etc.) initiatives to determine their impact on FCR. In the vast majority of cases, we have not seen a positive impact. However, SQM's research shows that technology implementation can have a positive impact on FCR, as long as it is designed to improve FCR (see Chapter 12 for details).

Barrier #2: No FCR champion

The second biggest barrier for not improving FCR that we see is that there is *no FCR champion*. We are not sure if this is the second or first biggest barrier, it is just big. Every world class call center we have worked with has an FCR champion in title or spirit. In most cases, it is the senior VP of the call center. Typically, in call centers that have poor to average FCR performance, there is no FCR champion. In many cases, for these call centers, the VP will say that FCR is important; however, their actions say otherwise. In other words, they do not *walk the talk* of an FCR champion. An example that we often see is when there is an FCR meeting in which all senior management are invited, including SQM personnel, and some of the organization's senior management do not show up, leave early or are disengaged. The message that management receives from this type of behavior is that FCR is not that important. Also, when there is no FCR champion, it is never really clear which people, process and technology practices should be implemented to improve FCR or which areas causing two-plus calls should be improved. The bottom line is that the absence of an FCR champion to manage and lead FCR efforts means the absence of improving FCR performance (see Chapter 11 for details).

Barrier #3: Poor communication

The third biggest barrier for not improving FCR that we see is *poor communication*. Many CSRs and supervisors have limited or no knowledge of how they or the call center are performing on VOC metrics. This is especially true when customer surveying is conducted at the

call center level only or infrequently. If you ask CSRs and supervisors in call centers with poor to average FCR performance what metric management conveys as the most important, they will say internal metrics or they are not sure. In some cases, even when surveying is conducted at the CSR level, they only see their results once a month or on a quarterly basis. Clearly, in both cases, that is not enough. In most world class performing call centers, CSRs can see survey results in either real-time or within one or two business days of the customer's call and CSRs have access to their results whenever they want to review them. Another poor communication practice that we see in call centers that have poor to average FCR performance is that they do not use a main purpose model. The model would include their vision and mission statements, operating principles and KPIs that could be used as an effective communication tool to make it clear to the CSRs and supervisors the call center's main purpose. The value of a call center main purpose model is that it provides a clear understanding of what is important and how CSRs and management should align their efforts towards call resolution, FCR and Csat objectives (see Chapter 2 for details).

Barrier #4: No accountability

The fourth biggest barrier for not improving FCR that we see is that there is *no accountability* for call resolution and Csat performance at the CSR and supervisor levels and FCR and Csat performance at the management level. Call resolution, FCR and Csat metric accountability for all employees needs to be based on the VOC. Without call resolution, FCR and Csat performance accountability, the chance for improving these metrics is highly unlikely. The main reason management does not create accountability for these metrics at the CSR level is due to the cost of surveying customers. To legitimize the sample size at the CSR level you would need a minimum of five surveys per CSR per month. Many call centers are not willing to commit to conducting five surveys or more per CSR per month. However, the vast majority of world class call centers do conduct at least five surveys per month per CSR. The cost of conducting QA evaluations is substantially higher than conducting customer surveys and yet management is more willing to conduct five QA evaluations per month per CSR. SQM believes that QA legacy is the reason why management is more willing to invest in QA evaluations versus customer surveys. Management is used to viewing quality from the QA standpoint and they want to leverage the thousands of dollars invested in their call recording system. From SQM's perspective, management must create accountability for VOC metrics at all levels. Also, the ROI is much greater from creating accountability for VOC metrics than it is from internal QA metrics (see Chapter 8 for details).

Barrier #5: Turnover and new-hires

The fifth biggest barrier for not improving FCR that we see is *CSR turnover and new-hires*. CSR annual turnover of 20% or higher (including external and internal turnover) causes low FCR performance. SQM's research shows that when a call center's FCR performance drops 5% to 20%, the main reason, in many cases, is CSR and/or management turnover. This is especially true for call centers handling moderate to high complexity calls. When there is high turnover at the CSR level there are not enough skilled CSRs to handle moderate to complex calls. It is SQM's experience that as a result of high turnover at the management level, in many cases, CSRs and supervisors lose their VOC focus and internal metrics become the default focus metrics. Also, new managers, in some cases, are not as committed to the previous manager's FCR initiatives. In addition, new managers may feel they do not own the success of implementing FCR initiatives belonging to previous managers. When call centers ramp-up in order to handle 10% or more of additional call volume by hiring new CSRs, the impact on FCR is just as damaging as CSR turnover. Typically, this CSR ramp-up to handle the additional call volume, can take six months or more to see the similar VOC performance that the call center had prior to the ramping-up of CSRs (see Chapter 9 for details).

FCR Journey Statement

Based on all our years of researching call center customer service and cost, it has become crystal clear to SQM that FCR is a true silver bullet metric for operating a call center. There is no other single call center metric that provides an accurate measurement of both quality of customer service and cost. If you believe that quality and cost are the areas that are the most important to your call center then focusing on FCR should be your mandate.

About SQM

Since 1996, SQM has been a leading North American call center industry research firm VoC expert for improving organizations' first call resolution, operating costs, employee and customer satisfaction. We have done this by being operationally excellent at benchmarking, tracking, consulting and recognizing our clients' first call resolution (FCR), employee (Esat) and customer (Csat) satisfaction performance. Over 70% of our tracking clients improve their FCR and operating costs year over year. For the average call center SQM benchmarks, a 1% improvement in their FCR performance equals \$276,000 in annual operational savings. Our research also shows that when you improve your FCR, not only do you achieve operational savings, you also reduce customers at risk which is typically a 5-10 times greater savings opportunity than the operational FCR improvement savings.

SQM benchmarks over 450 leading international call centers on an annual basis and has been conducting FCR Csat benchmarking studies since 1996. On an annual basis, SQM conducts over 1 million surveys (over 450,000 live surveys and over 550,000 IVR surveys) with customers who have used a call center, email, website or IVR contact channel service. SQM also conducts over 25,000 surveys yearly with employees who work in call centers. Our customer and employee survey database is one of the largest in North America. SQM does business in 11 countries around the globe: Canada, United States, Argentina, Australia, Puerto Rico, India, Philippines, Costa Rica, Mexico, Dominican Republic and Jamaica.

SQM's call center voice of customer and voice of employee awards of excellence program is the most prestigious and sought after North American call center awards program. Our awards are based on customers who have used a call center and employees who work in a call center and are considered to be the fairest and most credible call center awards in the call center industry. We have recognized top performing call centers for Csat and Esat since 1998. SQM evaluates over 450 leading North American call centers each year such as American Express, FedEx, Marriott, Sears, Canadian Tire, U.S. Bank, Wells Fargo, Rogers, Capital One, CitiFinancial, Scotiabank, Discovercard, Blue Cross, etc.

SQM's world class call customer satisfaction certification program is designed to determine if call centers, supervisors and customer service representatives are performing at the world class call customer satisfaction performance level. Our customer satisfaction certification program is the most credible and rewarding certification program in the call center industry because certification is based on your customers' experience calling your call center.

SQM offers four different post-call surveying methods (i.e., phone, IVR, online and SMS mobile). Our post-call survey is based on proven survey questions that provide accurate results and clear insights on areas to improve. SQM conducts all phone surveys using our own dedicated workforce. All post-call survey methods can be integrated into one common database. We can also survey within 5 minutes of the customer's call without having to rely on a call transfer into our technology. Our call list management system allows us to accurately deliver a survey quota at a customer representative level or any other survey quota level that is required. To ensure the quality

of our survey data and feedback collection, SQM monitors 100% of our survey calls. The accuracy of each telephone survey representative is individually tracked and must comply with our minimum error rate of less than 1%.

Our reporting is available in real time via our secure *mySQM* web portal or through your mobile phone. Customer representatives and supervisors have direct and secure access to their reports and coaching logs. Your analysts have full access to over 60 FCR Csat pre-formatted reports which be easily exported. Furthermore, your analysts can sort and search the data for ad-hoc reporting. Our reporting capabilities also allow the integration of Csat survey and call quality assurance evaluation data. Raw data is also available in real time.

SQM is recognized by the call center industry as the research firm VoC expert for analyzing FCR, Csat, and customer experience performance. Our research analyst professionals have strong mathematical academic backgrounds. They also understand the call center industry and stay current with the best practices for capturing, analyzing and reporting VoC data and feedback. Specifically, SQM research analysts use VoC metrics such as FCR, Csat and the Customer Protection - CP SCORE™ to truly understand how your call center impacts the customer service experience, operating costs and the ability of the call center to retain customers.