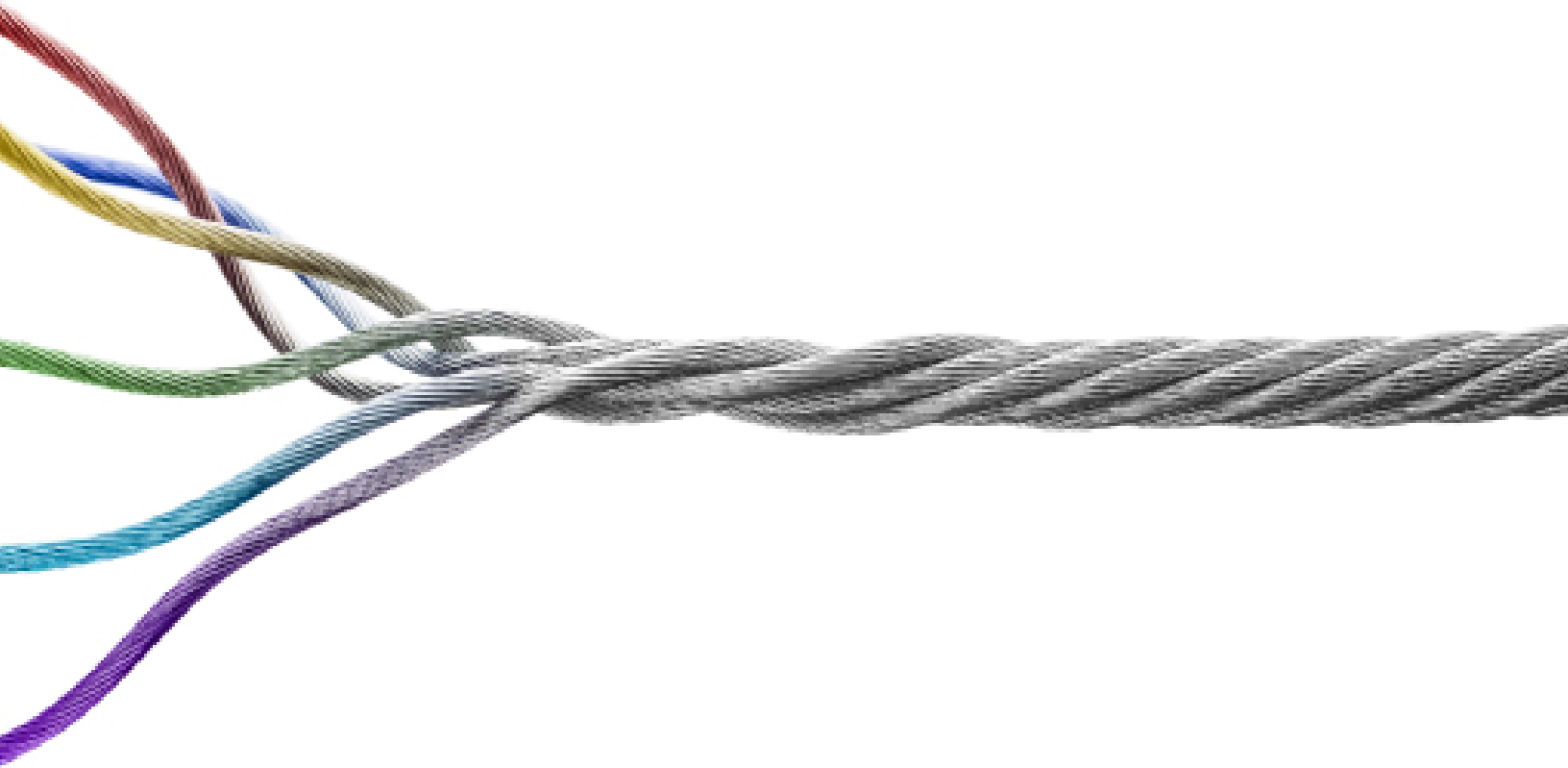




The Inner Circle Guide to Omnichannel Workforce Optimization

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“The Inner Circle Guide to Omnichannel Workforce Optimization” – 2023-24 (US edition)

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CONTENTS

Contents	4
List of Tables.....	7
The Inner Circle Guides	10
Introduction to Workforce Optimization	11
Who is WFO for?	13
End-User Question #1: Are your solutions suitable for smaller contact centers? Are there any particular elements of the solution that smaller contact centers should consider first?	14
Workforce Management Solutions.....	15
Functionality	16
Forecasting.....	17
Scheduling.....	18
Adherence and Reporting.....	19
Intraday	19
Remote Working.....	20
End-User Question #2: How do your solutions help remote or hybrid working to succeed?	22
Omnichannel Workforce Management.....	23
Use of Functionality.....	25
Current Use of Workforce Management Solutions	28
Workforce Management: Managing the impact of the wider business on the contact centre .	30
The Future of Workforce Management Solutions	31
Call Recording & Quality Management	35
Methods of Using Call Recording	35
Recording for Quality Assurance.....	38
Omnichannel Quality Assurance	39
Challenges to Improving Quality & Performance	40

Key Issues in Quality Management.....	41
Current Use of Call Recording & Quality Management	43
The Future of Call Recording & Quality Management	46
Analytics	47
Functionality	48
Improving the Quality Monitoring Programme	49
Identification of Training Needs	50
The Customer Experience outside the Contact Centre	50
Compliance	51
First-Contact Resolution.....	51
Current Use of Analytics.....	52
Post-call Analytics.....	56
Real-time Analytics	58
The Future of Analytics	61
Performance Management.....	64
What is ‘Performance’?	65
Use of Performance Management Solutions.....	70
End-User Question #3: It’s likely that there will be significant pressure for contact centers to reduce their cost of service. How can you help us with this?	72
Gamification.....	73
Current Use of Gamification	76
Voice of the Customer	78
Using Customer Feedback.....	84
Customer Journey Analytics	85
Recruitment & Onboarding	87
Recruitment	87

Onboarding	89
Voice of the Employee & Agent Empowerment	92
VoE Programs	92
Agent Empowerment.....	93
Supporting Frontline Staff	95
Coaching & eLearning.....	96
Disruptors to Workforce Optimisation	97
Omnichannel	98
End-User Question #4: What are the challenges around digital channels that your solution can help us with?.....	99
Artificial Intelligence	100
Cloud.....	101
Remote Working & Virtual Contact Centres	103
Enterprise WFO	104
The Back Office	106
The Future of Workforce Optimisation	107
End-User Question #5: Where are the future innovations in WFO and its component elements likely to come from?	108
About ContactBabel	109

LIST OF TABLES

Figure 1: Scheduling of multichannel workforce activity, by contact center size	24
Figure 2: Functionality used within WFM solution, by contact centre size	25
Figure 3: Workforce management system functionality and capabilities	26
Figure 4: Use of workforce management systems, by contact center size	28
Figure 5: Use of workforce management systems, by vertical market	29
Figure 6: Use of, and plans for cloud-based workforce management	31
Figure 7: Situational recording choices	37
Figure 8: Effectiveness of quality assurance	38
Figure 9: Effectiveness of quality assurance, by channel	39
Figure 10: Challenges to managing performance & quality	40
Figure 11: Use of call recording, by vertical market	43
Figure 12: Use of call recording, by contact center size	44
Figure 13: Cloud-based call recording solutions, end-2022	45
Figure 14: Use of interaction analytics, by contact center size	52
Figure 15: Use of interaction analytics, by vertical market	53
Figure 16: Cloud-based analytics solutions, 2015-22	54
Figure 17: Use of various interaction analytics functionality (from only those respondents who use analytics)	55
Figure 18: Usefulness of post-call analytics	56
Figure 19: Usefulness of real-time analytics	60
Figure 20: Most important contact center metrics	68
Figure 21: Use of performance management solutions, by contact center size	70
Figure 22: Use of performance management solutions, by vertical market	71
Figure 23: Use of gamification, by contact center size	76
Figure 24: Use of gamification, by vertical market	77

Figure 25: Proportion of customer surveys gathered by method, by contact center size	81
Figure 26: Effectiveness of methods for gathering customer insight (where used).....	84
Figure 27: New agent on-board provisioning	89
Figure 28: Use of new agent onboarding methods and 90-day attrition rate.....	90
Figure 29: Agreement with statement: "New agents find it difficult to familiarize themselves with our systems", by contact center size	91
Figure 30: What's the single most important factor that would boost agent performance?	93
Figure 31: Barriers to omnichannel	98
Figure 32: Planned and future cloud-based functionality (where used)	101
Figure 33: Integration of non-contact center staff with systems and processes (only respondents using non-contact center staff)	105



Enghouse Interactive

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Contact:

+1 833 ENG INTv or +1 833 364 4688

w: www.enghouseinteractive.com or www.enghouseinteractive.com/enghouse-ccaas

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THE INNER CIRCLE GUIDES

The Inner Circle Guides are a series of analyst reports investigating key customer contact solutions. The Guides aim to give a detailed and definitive view of the reality of the implementing and using these technologies, an appraisal of the vendors and products available and a view on what the future holds.

The Inner Circle Guides are free of charge to readers. Sponsors have **not** had influence over editorial content or analyst opinion, and readers can be assured of objectivity throughout. Any vendor views are clearly marked as such within the report.

Other subjects include The Inner Circle Guides to:

- Agent Engagement & Empowerment
- AI in the Contact Center
- AI-Enabled Self-Service
- Cloud-based Contact Center Solutions
- Customer Engagement & Personalization
- Customer Interaction Analytics
- First-Contact Resolution
- Fraud Reduction & PCI Compliance
- Next-Generation Contact Centre Technology
- Omnichannel
- Outbound & Call Blending
- Remote & Hybrid Working Contact Center Solutions
- Voice of the Customer.

These can be downloaded free of charge from www.contactbabel.com.

As well as explaining these solutions to the readers, we have also asked the potential users of these solutions whether they have any questions or comments to put directly to the report's sponsor, and we have selected some of the most popular to ask. These branded Q&A elements are distributed throughout the report and give interesting insight into real-life issues.

The statistics within this report refer to the US industry, unless stated otherwise. There is a version of this report available for download from www.contactbabel.com with equivalent UK statistics and findings.

INTRODUCTION TO WORKFORCE OPTIMIZATION

The exact definition of contact center workforce optimization (WFO) is not set in stone, and for the purposes of this report will include:

- Quality management & interaction recording
- Interaction analytics
- Workforce management solutions
- Performance management
- Voice of the Customer (VoC).

Furthermore, elements of Workforce Engagement Management (WEM) will also be considered, including:

- Recruitment & onboarding
- Task management
- Voice of the Employee (VoE)
- Coaching & eLearning
- Mobility
- Intraday
- Gamification.

Although there is considerable cross-over between WFO and WEM (e.g. targeted coaching and eLearning depend in large part on quality management & analytics; intraday is connected with workforce management; gamification can be seen as part of the WFO suite; etc.), WEM focuses upon individual employee engagement as a key element in improving the overall performance of the contact center. However, it is important to note that most WFO vendors' solutions have moved towards viewing and supporting the agent as an individual, and that we do not see a major functionality divide between WFO and WEM.

Within this report, while the more-widely used term “WFO / workforce optimization” will be used extensively, this should also be seen as referring to solutions falling under the WEM umbrella.

Workforce optimization solutions aim to address four key commercial and operational issues:

1. improve agent skills and experience, increasing the quality of interactions (through quality assurance, monitoring, call recording, eLearning, workforce management and gamification)
2. increase customer satisfaction (a result of enhanced agent availability and competency)
3. reduce the cost of service through efficiency (through correct initial resourcing, performance monitoring and dynamic reallocation of resource)
4. understand interactions and improve the efficiency of associated business processes (using analytics and Voice of the Customer/enterprise feedback management).

It could be argued that a WEM approach takes much of the purpose and functionality of WFO in order to realign it with the requirements of the agent as well as the business: after all, happy, well-trained, motivated, loyal and empowered agents are likely to make a high-performing, optimized workforce.

Each of the individual solutions making up the WFO suite of solutions draws from and feeds into others, creating a virtuous circle of increased quality, efficiency and customer experience. Although as stand-alone solutions each has a valuable part to play in improving the contact center's performance, together they become more than the sum of their parts.

Enterprises wishing to deploy WFO solutions have a wide variety of vendors to choose from, some of which focus their expertise on a particular solution, whereas others provide a suite of interlocking solutions. The increasingly open nature of technology and the uptake of cloud-based solutions means that businesses have a far greater ability to pick and choose their suppliers and functionality than ever before, and this interoperability is only likely to increase.

WHO IS WFO FOR?

The rise of cloud-based solutions has come some way to democratizing technology which was formerly beyond the reach of smaller operations, but it is not just the cost that impacts upon the usage of the various elements of the workforce optimization suite.

For example, speech analytics works best when there is a large amount of data from which it can identify patterns and draw conclusions, and while a fully-featured, intraday-enabled workforce management solution is vital in a 500-seat operation, scheduling agents in a 10-seat contact center does not have the same level of complexity.

However, even small contact centers can benefit from some of the functionality that WFO can bring, as the need to improve quality, customer satisfaction and agent engagement are common to all customer-facing operations. Cloud-based solutions have opened up new opportunities for smaller operations, and the uptake in this sector of the market has been significant. (More information on technology penetration rates by contact center size and vertical market are included within the section of the individual WFO solution in question). It's also the case that some smaller operations have very complex businesses (e.g. multi-skill, multiple locations, omnichannel) which could benefit more from some of the more sophisticated WFM functionality than would a larger but less complex operation, for example.

Some businesses may prefer to mix and match functionality from separate vendors to get exactly what they want, particularly if they have legacy systems in place with which they are familiar and that are still delivering what's necessary. Others will prefer to use a single supplier, with tight integration between modules and a single unified interface, although this may entail giving up some specialist functionality that another vendor may supply. There is no correct answer: most decisions will involve some compromise.

While many WFO solutions cover most or all of the functionality highlighted previously, businesses can choose specific modules to engage with first, rather than trying to get up to speed with all of them at once. Depending on what the priorities are for a business, typically call recording or workforce management (WFM) tend to be the first solutions implemented: recording acts as a base for quality management and analytics, while WFM is well-established and produces proven ROI. If the focus is upon agent engagement, then performance management, Voice of the Employee and gamification may come first.

END-USER QUESTION #1: ARE YOUR SOLUTIONS SUITABLE FOR SMALLER CONTACT CENTERS? ARE THERE ANY PARTICULAR ELEMENTS OF THE SOLUTION THAT SMALLER CONTACT CENTERS SHOULD CONSIDER FIRST?

Answered by Enghouse Interactive

WFO solutions are beneficial to any size contact centers, and cloud-based solutions make it easier for smaller businesses to add only the capabilities they need on a per agent basis.

Workforce management tools can be a first place to start:

- **Forecasting and Scheduling** tools are important for any size contact center for creating optimized agent schedules.
- **Time and Attendance Tracking** helps SMBs manage payroll effectively and ensures compliance with labor regulations.
- **Real-Time Monitoring and Adherence** allows SMBs to maintain service quality and adherence to schedules.
- **Mobile Accessibility** ensures that the WFM solution is accessible via mobile devices, to facilitate remote work and improve agent accessibility.
- **Compliance Management** facilitates compliance with labor laws, regulations, rest break scheduling, and time-off accruals.

Additional WFO capabilities are also now easily accessible and affordable for any size contact center. For example, interaction recording is a core function of most contact centers, and, using AI capabilities, those interaction recording can be a foundation for **Conversation Summarization** to improve agent efficiency, **Automated Agent Evaluation** to remove bias and reduce time spent doing manual evaluations, and **Voice of the Customer Insights** to identify areas of concern and provide input into business process and product improvements.

WORKFORCE MANAGEMENT SOLUTIONS

Workforce management solutions (WFM) can perhaps be seen as the core element to the workforce optimization suite, and has developed over time into a sophisticated tool for forecasting interactions across multiple channels and scheduling based on agent skill-sets and diverse locations, reacting automatically in near-real-time to allocate resource to where it is needed most.

Recent years have seen a resurgence in investment in workforce management solutions, often driven by the increasing requirement to handle ever-growing volumes of digital interactions, as well as a rise in remote working and managing employees' greater expectations of flexible working patterns.

The acknowledgement that the customer journey is not only restricted to the boundaries of the contact center has encouraged vendors and organizations to look at extending workforce management capabilities into the back office, branches and the mobile workforce as well.

FUNCTIONALITY

Workforce management (WFM) solutions have to deal with environments which have become much more complex in order to cope with the reality of the work that is being presented to agents. For example, all agents require good listening ability, familiarity with keyboard and IT skills and a knowledge of the business they are working in, but more now need a pool of in-depth and specific skills to be available in order to satisfy customers fully, including:

- Familiarity with either specific customers (e.g. account management) or customer sub-sets (e.g. commercial vs. domestic products)
- Specific product or technical knowledge
- The right level of experience and empowerment for the specific customer
- Language skills (both in domestic and international markets)
- Ability to deal with written digital interactions (either in real-time – such as web chats – or offline, such as emails).

Fulfilling service levels while managing costs is an iterative cycle, requiring several key processes to be completed. Feedback from each stage means that the enterprise can continually improve its efficiency and become more confident in future predictions.

The modern contact center not only requires the basics of having enough people to answer interactions in a reasonable amount of time, but is increasingly demanding more sophisticated functionality such as the ability to forecast and schedule agents in near-real time, handle virtual contact center, mobile and homeworking resource, accurately allocate staff resource across both digital and voice interactions, consider how the use of voicebots and chatbots will impact on interactions requiring a live agent, and increasingly include back office activities within scheduling as well where relevant.

FORECASTING

Before any staff planning can be done, an enterprise first needs to understand what has happened in the past. A solution which provides historical data from entire customer contacts including those across multiple channels means that scheduling can take place in a more realistic way.

Enterprises should also be able to factor in exceptions such as advertising campaigns, training and public holidays, view when the best time for a meeting or training session will be, and measure the impact on the rest of the contact center. Running regular hypothetical 'what-if' scenarios can show a scheduler how alterations to shift-patterns would impact performance.

A great deal of unnecessary agent work can be removed by identifying the types of calls that are being received, and determining whether these could be reduced further up the line, in the departments whose work actively affects the volume and type of calls received, e.g. marketing or IT (for the website), or through the use of bots to handle relatively simple enquiries. As such, workforce management is often used as part of an overall workforce optimization suite, which can include quality monitoring, interaction analytics, HR management and training as well as the traditional workforce management roles of forecasting and scheduling, as all of these factors affect each other.

For example, understanding when and how other departments will be operating means that workforce management tools can be used to forecast and schedule accordingly (e.g. a new TV advert may trigger a wave of specific calls). Additionally, contact center management is able to brief agents – via a desktop broadcast or smartphone alert at short notice – about the correct responses and issues, as well as changing IVR prompts and messages to provide answers to the simpler questions and managing agent skill-sets for relevant call groups.

Businesses should look for flexibility in forecasting functionality: situations can develop very quickly which mean that forecasts can become useless without the ability to alter schedules dynamically at an intraday level to reflect reality. (Intraday is considered in more depth later in this report). As over 25% of a typical contact center's activity is now through digital channels, a demonstrable and sophisticated understanding of email, chat and social media volumes is critical in a solution.

Resource planning applications, which typically look at requirements over a longer term than the typical WFM solution, should also be considered within the forecasting functionality.

Understanding how the business will change some months in advance – perhaps for seasonal reasons, or with the launch of a new product – will certainly impact on resourcing, and close communication and integration between resource planning and day-to-day WFM is desirable.

SCHEDULING

Scheduling has moved far away from the traditional approach of simply making sure that approximately the right number of agents are available based on forecasts.

While the correct resource allocation is obviously still key to successful scheduling, the enlightened enterprise takes agent preferences and skill-sets into account. The “standard agent” approach to solving resource issues (i.e. treating one agent the same as any other) will cause problems with both agent satisfaction and customer service levels. Most companies using advanced workforce management software will have between six and nine skill-sets to work with, although a few contact centers use as many as 50.

A scheduler will have to find the best way to match the company’s requirements with those of its employees, and agent self-scheduling functionality – which allows an agent to bid for and choose specific shifts and vacations – is not only helpful in terms of forecasting but has a demonstratively positive effect on agent engagement as well.

Scheduling can get particularly complicated in an omnichannel environment which requires agents with multiple media-handling skills (e.g. voice, email, web chat etc.) and multiple business abilities (e.g. sales, service, product knowledge, languages etc.), and which may well be operating within a blended inbound/outbound environment, possibly spread across various locations including the use of homeworkers.

An increasing number of contact center operations no longer work on strict shift patterns of a fixed length, as flexibility can be of benefit both to the organization and the agent: the organization can resource peak hours without risking high levels of idle time outside of this, and shorter shifts may fit in better with the work-life balance of the agent. The recent enforced rise of remote working gives an opportunity for agents to work more of the hours that suit them (for example, in the evenings, or split-shifts around childcare), flexibility which contact centers can then use to extend their opening hours without paying excessively for anti-social hours or full shifts in times of lower volumes.

Many WFM solutions now offer a self-service function to allow agents to state their preferred shift patterns, request time off, swap shifts and request overtime, leading to more engaged and empowered agents and much less manual work for the scheduler. The advent of cloud-based solutions and mobile smartphone apps means that agents can make requests wherever they are, improving employee satisfaction and keeping the WFM system more up-to-date than if they were restricted to doing this within the physical contact center within their own working hours.

ADHERENCE AND REPORTING

Adherence is the ability to compare forecasts with reality and learn from mistakes, and “adherence to schedule” is one of the most valued metrics within the contact center environment. Sophisticated scheduling and forecasting is useless without the opportunity for improvement brought about by adherence monitoring. Real-time adherence allows managers to see exactly what is happening, and can alert them to deviations from the expected activity, allowing them to make changes before problems occur, or even for the WFM system to do so automatically. Adherence allows a business to fine-tune its contact center activity, and the more it is used, the more accurate forecasts and schedules become.

This is another area where the cerebral activity of traditional workforce management has become more dynamic. Real-time reporting on schedule adherence, and the ability to access this information through a web browser or smartphone app means that dynamic changes can be made to the system, with automated intraday changes being used increasingly, taking away the need for human intervention.

WFM solutions enable contact center managers to monitor and manage agent performance in real time by monitoring the status of an agent's activity (for example, time spent logged on, against planned work schedules), even if the agent is working remotely. Agent adherence and non-adherence can then be acted upon quickly, and used to support performance appraisals.

INTRADAY

In older versions of WFM, once the forecasts and schedules were set based on historical data and expectation, the opportunity for change was extremely limited and restricted to moving agents between queues and tasks manually: more of an art than a science. Today, many WFM solutions support rapid changes driven by actual interaction volumes. This is often known as ‘intraday’, a near-real time scheduling system based on actual demand for service and supply of agent availability, and relies upon flexibility from the agent and the enterprise, working together for the benefit of all. For example:

- the WFM system forecasts the likely volume of interactions through each channel
- resource requirements are forecasted, based on the agent skills required
- agents submit their preferences for working hours (they have contracted to work a certain number of hours each month)
- shift patterns are scheduled and communicated to agents, who have the opportunity to arrange shift swaps with other agents. Businesses may wish agents to be contactable outside of their shift, possibly through SMS or an app, so that any requested schedule alterations or short-notice requests to login can be implemented in a timely fashion
- the WFM system alters schedules accordingly throughout the day, based on real volumes and service levels.

Intraday goes some way to resolving the underlying tension between employee and organization concerning workforce scheduling, and as such can be seen as part of the broader move towards agent-centric WEM. It is in the enterprise's interest to have strictly calculated forecasts and exact allocation of resource, regardless of how this impacts upon the employee. Unsurprisingly, this leads to resentment amongst the workforce, increasing attrition and absence rates. Intraday goes some way to empowering the employee, without putting the enterprise at a disadvantage. WFM solutions that are built with a flexible architecture capable of scheduling in small time-increments (e.g. minutes rather than hours) will support employees' needs without damaging service levels.

It is important to understand that greater empowerment of agents over their working patterns is greatly beneficial to morale: rather than have to ask a supervisor or manager, they are to a great extent choosing their own hours, with the resulting benefit that they have greater buy-in to the process and are less likely to be absent, as well as reducing the time spent by supervisors in changing schedules manually.

There are a number of workforce management solutions that use their forecasting and scheduling functionality to identify periods in the working day where agents are likely to be underutilized and experience high levels of idle time. The identification of idle time is one thing: being able to recover unproductive time in the agent's daily routine and use this otherwise-lost capacity is quite another. A workforce management solution that has intraday capabilities can recover these small pockets of fragmented agent idle time as the day goes on, aggregating this time into larger blocks that can be allocated to other productive activities such as training, coaching, back-office tasks, answering asynchronous communications such as email, or catching up on administration. This can go a long way towards using the agent time that businesses already pay for, but which could not previously be accessed.

Having a more flexible WFM system should also widen the available pool of labor: whereas in the past, the nature of scheduling meant that full-time employees were preferred, being able to schedule in shorter time periods in near-real-time supports part-time workers, homeworkers, employees based elsewhere in the enterprise and seasonal workers.

REMOTE WORKING

Homeworking provides companies with the opportunity to add greater flexibility into planning and scheduling, such as split-shifts (over the course of a day), 'micro-shifts' (where agents come online for an hour or less at peak times) and in the evening (potentially allowing longer opening hours for the contact center), without having to pay shift premiums for anti-social hours.

'What-if?' scenario planning can help contact centers model and predict scenarios where for example the absence rate quadruples, enabling the organization to see what would happen with service levels and scheduling, and potentially lining up business continuity solutions such as overflow to outsourcers. Workforce planners can also use this to model the likely effects of increased call lengths caused by queries that are outside the norm, a new agent's lack of familiarity with systems or other factors that may be being faced by contact centers being affected by the coronavirus crisis.

Some key WFM action points for remote workers and their managers:

- make sure that agents' contact information is up-to-date and available to management in both online and offline modes
- ensure agents understand how they clock on / clock off their shifts, as well as how management will supervise that they are doing so
- agents should check their schedule for the next day before they log off for the evening
- any WFM tools should be flexible enough to handle agent absences at very short notice without having to recreate the schedule manually.

Any workforce management system needs to be able to take full advantage of the flexibility of remote working agents, while providing the same level of real time management and support available to the centralized contact center model. Remote working necessarily encourages agents to develop independence and take control of their work, and businesses should consider implementing the tools to support this.

It can be beneficial for everyone to allow agents to change their breaks themselves, bid for shifts and choose their own vacation period through an app without having to run everything through the workforce planning team first. Of course, the service level must be protected and any changes only ratified if this is the case. Giving remote working agents access to these sorts of tool will promote trust and do away with any issues such as perceived favoritism, as well as protecting the performance of the contact center.

Contact center management is often concerned that visibility into what agents are actually doing will be decreased in remote working environment. This does not necessarily have to be the case: tools exist that can check adherence to schedule (including breaks) and which can nudge agents into adherence by giving them reminders that a break is almost ending or that they are a little late logging back on. Key to this is that any change impacting upon the performance of the contact center is immediately taken into account by the workforce management system which can then react accordingly, rather than there being delays of some hours before schedules can be changed.

The flexibility, agility and granularity of such automated tools can allow agents who work even a couple of minutes longer than their shift to group these minutes into a 'time bank' which can then be taken as flexitime: the opposite also exists for those agents who may be late logging onto their shift as they can work the time back later when it's needed by the business.

END-USER QUESTION #2: HOW DO YOUR SOLUTIONS HELP REMOTE OR HYBRID WORKING TO SUCCEED?

Answered by Enghouse Interactive

- The **Enghouse CxWFM** workforce management solution allows employees to work from various locations and time zones while ensuring adequate coverage.
- **Scheduling Flexibility** allows all agents, regardless of location, to view their schedules, request time off, and update their availability – giving agents more autonomy and reducing the administrative burden on managers.
- **Time and Attendance** allows employees to log their hours accurately, no matter their location.
- **Performance Monitoring** helps managers identify training needs, and schedule instruction for each agent according to availability.
- **Dashboards and Analytics** give managers real-time visibility into remote or hybrid team performance, allowing them to identify trends, track productivity, and make data-driven decisions to optimize workflow and performance.
- **Integration with UC Solutions**, such as Microsoft Teams, facilitates seamless collaboration among remote or hybrid team members, ensuring effective communications.

OMNICHANNEL WORKFORCE MANAGEMENT

The mechanics and mathematics of forecasting and predicting resource requirements for telephony have long been understood. However, digital channels such as email, web chat and social media do not follow the same rules as voice, with some being synchronous (e.g. web chat) and some asynchronous (e.g. email). Additionally, most businesses using web chat will have agents carrying out simultaneous interactions with customers, and the service levels and customer expectations around each channel can be quite different.

Looking at workforce requirements for web chat, businesses need to work out the most optimal resourcing outcome for agents, customers and the business itself. This is not entirely straightforward: the business wants the fewest possible agents to handle interactions while meeting service levels and quality; the customer wants undivided one-to-one attention; and the agent may well want enough simultaneous chats to keep them engaged, but not so many that it becomes stressful.

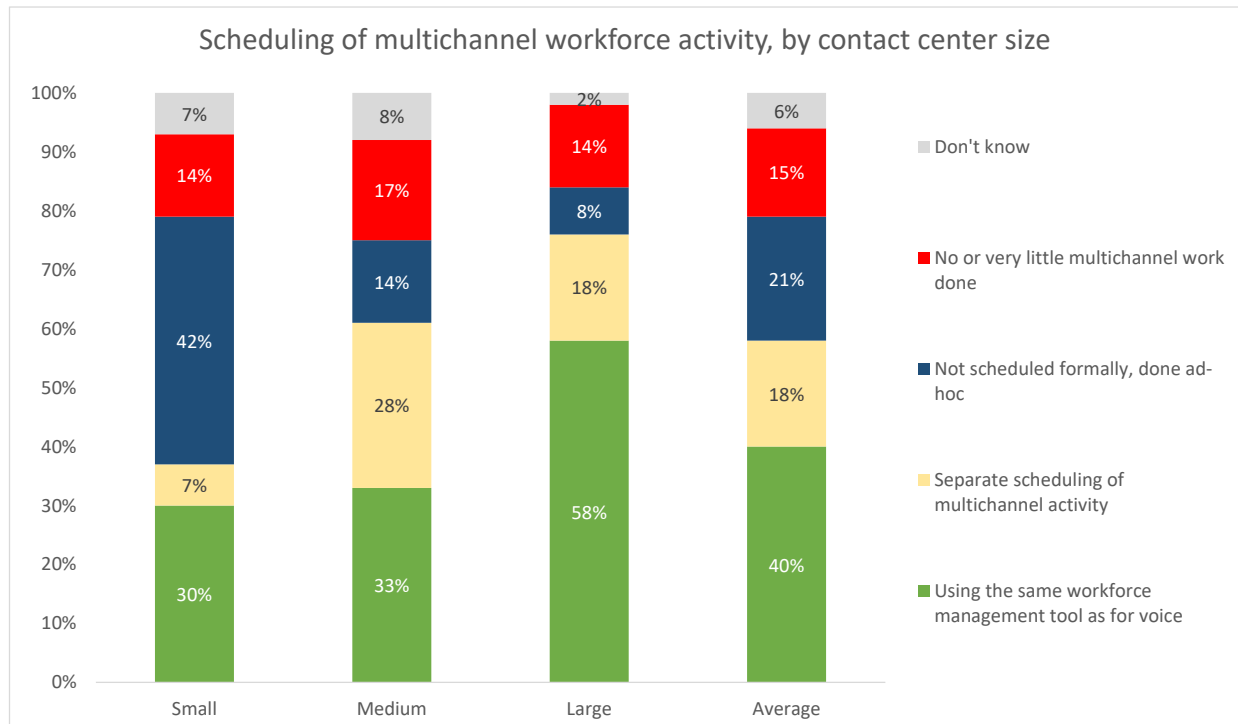
For the scheduler, this is not simply a matter of working out the average length of a web chat and then dividing by three (assuming three simultaneous chats are the target), as agents take longer to handle each chat the more that they have: switching mental context and focus for each chat means that they take longer to realign for each customer. Additionally, web chat forecasting and scheduling requires a deeper understanding of agent composition time, customer composition time, pause time (for each party to read what has been written) and an understanding of how many messages each chat will tend to contain. Businesses also need to consider how many web chats can be carried out through templatised stock responses and how many will require custom answers written by agents. There is also the complication that chat bots involve: what proportion of interactions will these be able to handle successfully, and how many will need to be passed through to live agents?

Having agents who are skilled on multiple channels can mean that they are able to follow the interaction through regardless of channel, which is positive for customer experience and first-contact resolution. Agents can be empowered to choose the most appropriate channel, for example a complex email may be better handled by replying with an outbound call. Multiskilling also increases the flexibility and depth of the agent pool, allowing resource to be reallocated to a channel as and when necessary.

40% of respondents – much higher in larger contact centers – use a combined voice and multimedia workforce management application, with 21% using an ad-hoc approach, which is more often found in smaller operations.

There was a noticeable lower use of separate standalone forecasting and scheduling for multichannel activity than in past years.

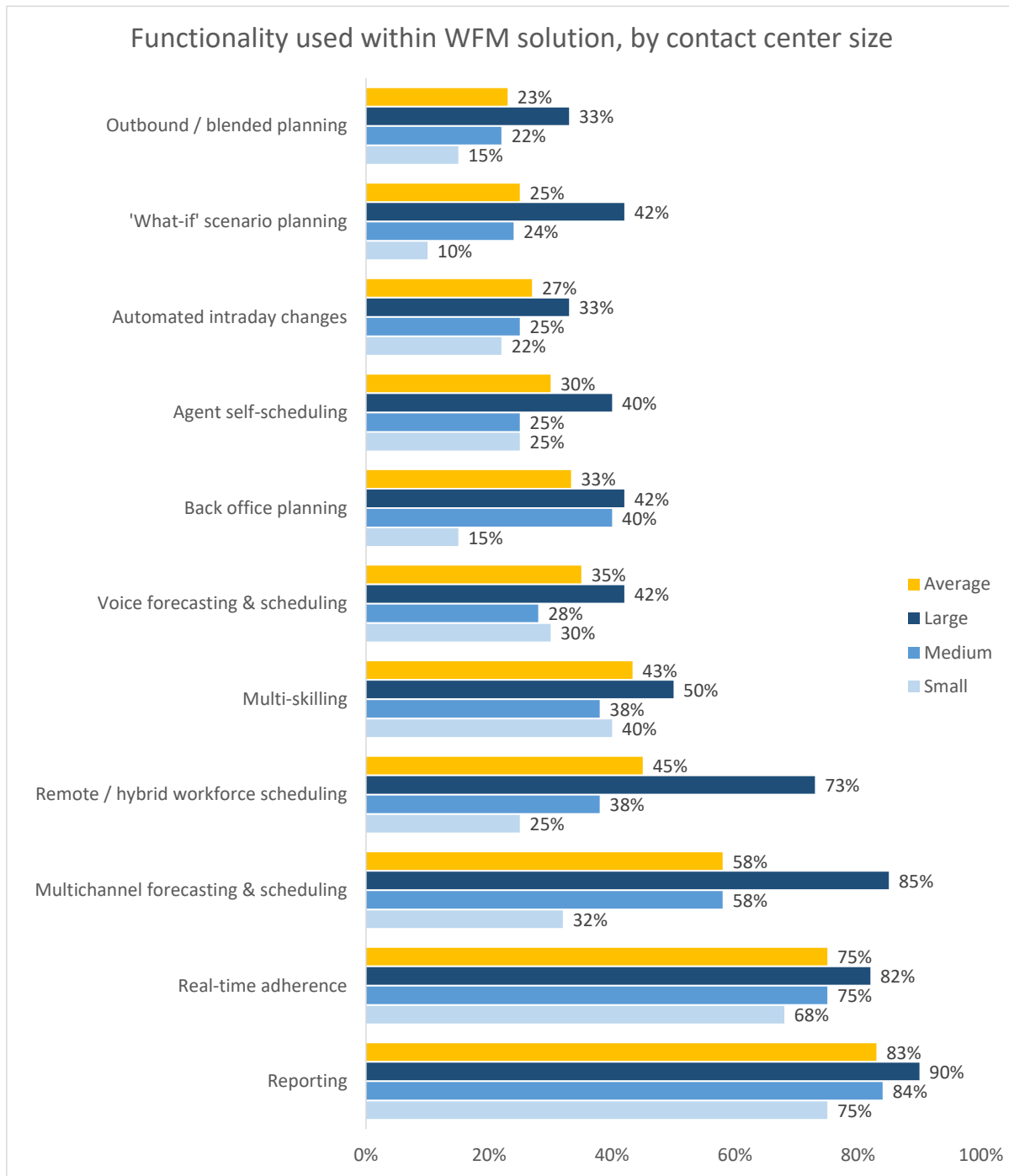
Figure 1: Scheduling of multichannel workforce activity, by contact center size



USE OF FUNCTIONALITY

Respondents who said that they used workforce management solutions were asked which functionality they **actually** used (as opposed to what was bundled in with the solution, but which was not used).

Figure 2: Functionality used within WFM solution, by contact centre size



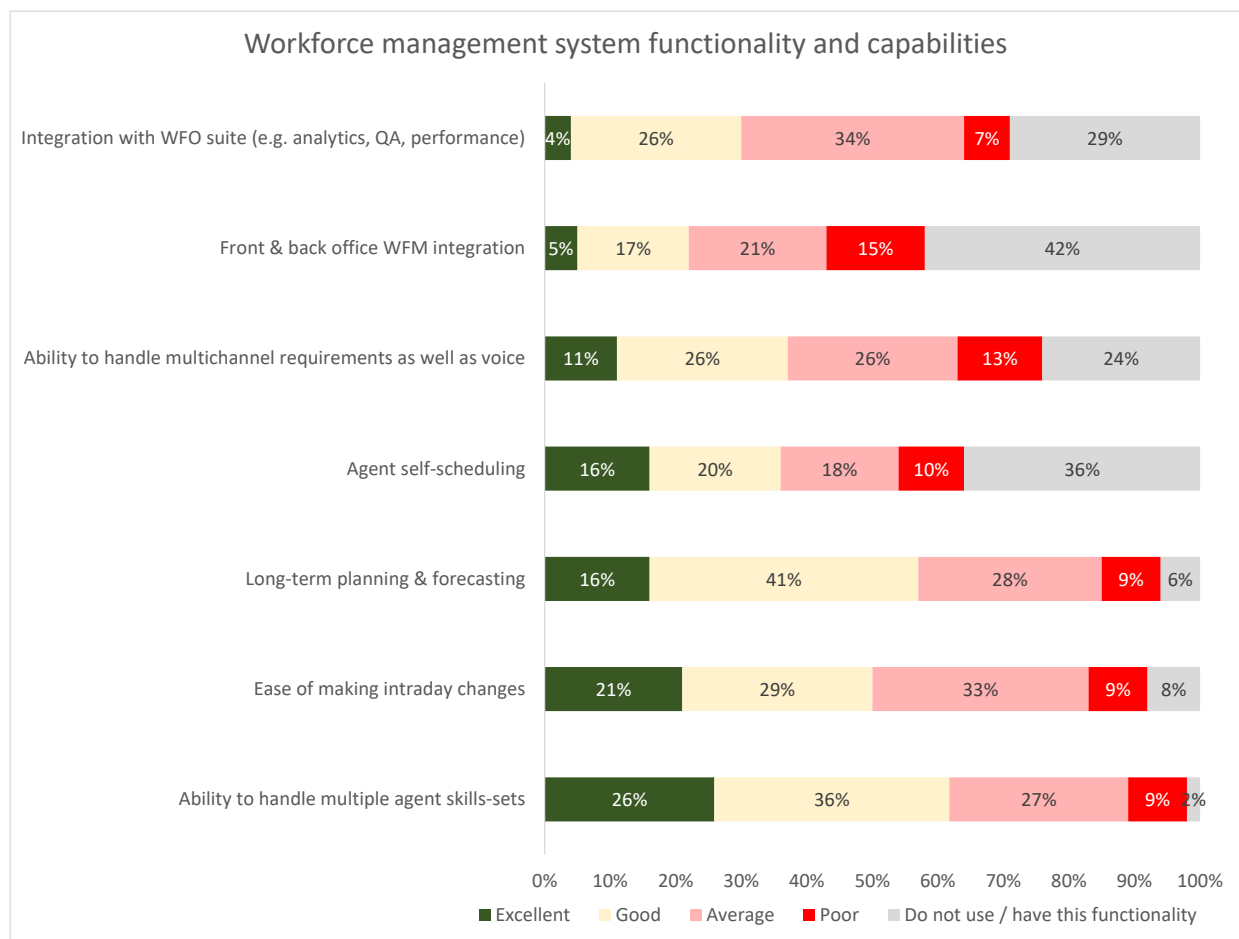
As would be expected, forecasting and reporting scored very highly, with real-time adherence to schedule and multiskilled forecasting/scheduling also seen as being very useful, especially in larger contact centers. Only a quarter of respondents used workforce management solutions for more strategic aims including ‘what if’ scenario planning.

30% of respondents used agent self-scheduling, functionality which can be seen as a potential win-win for both agent and scheduler, in that it provides a more realistic schedule as well as giving the agent an element of control over when they wish to work.

Similar proportions used more recent forms of functionality such as automated intraday changes and back-office scheduling. Large operations are more likely to be using WFM for intraday. Back-office scheduling has grown greatly in recent times, functionality which supports businesses to deliver what the front office has promised. While outbound / blended planning is relatively less used, almost 1 in 4 of respondents are using WFM for this purpose.

Respondents were asked to comment upon their opinion of the functionality and capabilities of their workforce management system as it stands.

Figure 3: Workforce management system functionality and capabilities



Relatively few respondents commented negatively about any functionality (i.e. actively rating it as 'poor'): however, while multichannel capabilities in particular are seen as having improved greatly in recent years, around 1 in 8 respondents still rate it as poor. Front / back office integration in particular receives a lukewarm response, with three times as many survey respondents rating it as 'poor' than 'excellent'.

A case can be made that functionality graded as being 'average' could be seen in a similar context to 'poor': no organization or business would be satisfied if their products or services are merely rated as 'average' by their customers. If this hypothesis is accepted, then there is still significant room for improvement across the board.

Looking at where respondents believe that there are gaps in their WFM system's functionality, the integration between front and back office, integration with the rest of the WFO suite and the ability to handle both multichannel and voice requirements all have more ratings of 'Poor' or 'Average' than 'Good' or 'Excellent'.

CURRENT USE OF WORKFORCE MANAGEMENT SOLUTIONS

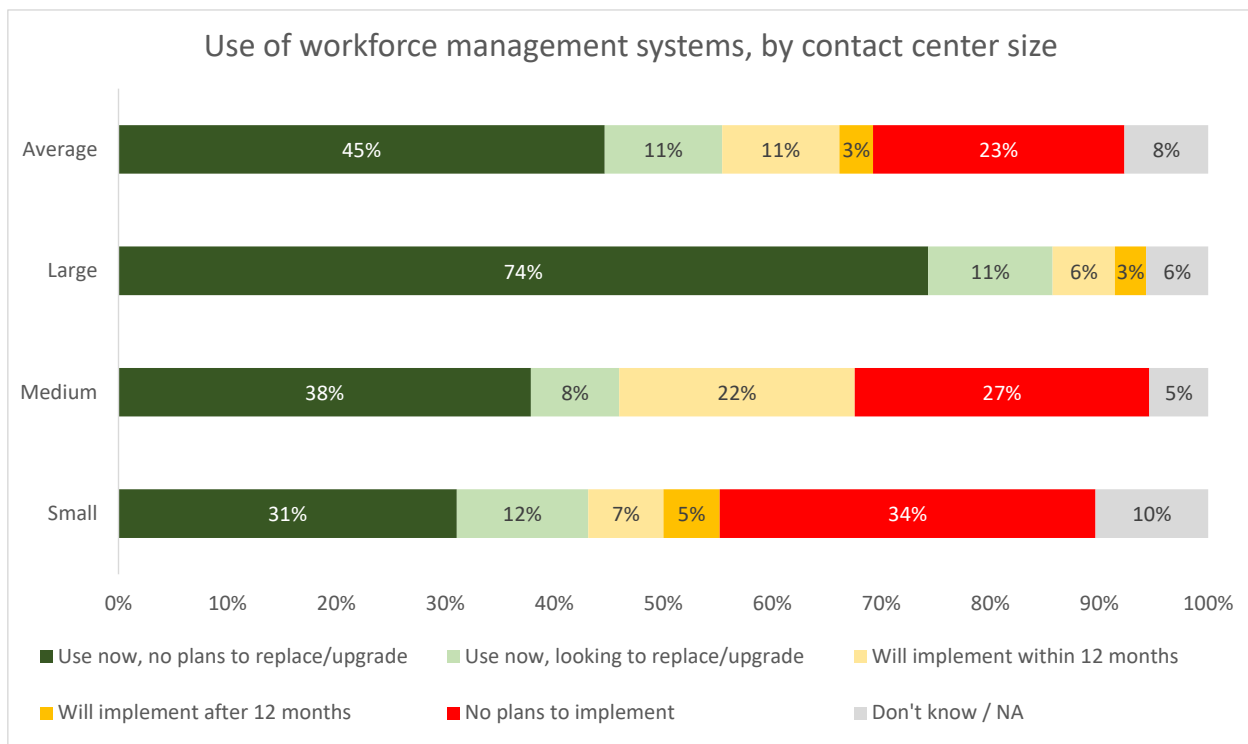
Until relatively recently, small contact centers were still very heavily involved in manual workforce management, which offers extremely limited opportunities for delivering anything other than a static schedule that cannot easily be changed. In fact, forecasting and scheduling in this scenario is more of an art than a science. The low take-up of third-party workforce management tools was almost certainly down to cost, the fact that the time taken to create a manual schedule for 10 agents is far less than for 100 agents, and that the manager of a small contact center may not need the flexibility or capabilities that a large operation can benefit by, as their labor and skills pool is so much more shallow to begin with.

However, there has recently been a significant uplift in the use of workforce management solutions in small contact center sector, probably as a result of the increasing number of solutions – whether being offered through CPE or a hosted/cloud-based deployment – aimed at the smaller end of the market by solution providers. These solutions may offer relatively simple functionality, but will also have an easy-to-use interface for non-specialist users.

Workforce management systems are now common in contact centers, with a penetration rate of 56% amongst our survey respondents.

Of current WFM users, 20% are actively looking to replace their WFM solution. 11% of respondents indicate that they are likely to implement a system for the first time in the next 12 months.

Figure 4: Use of workforce management systems, by contact center size

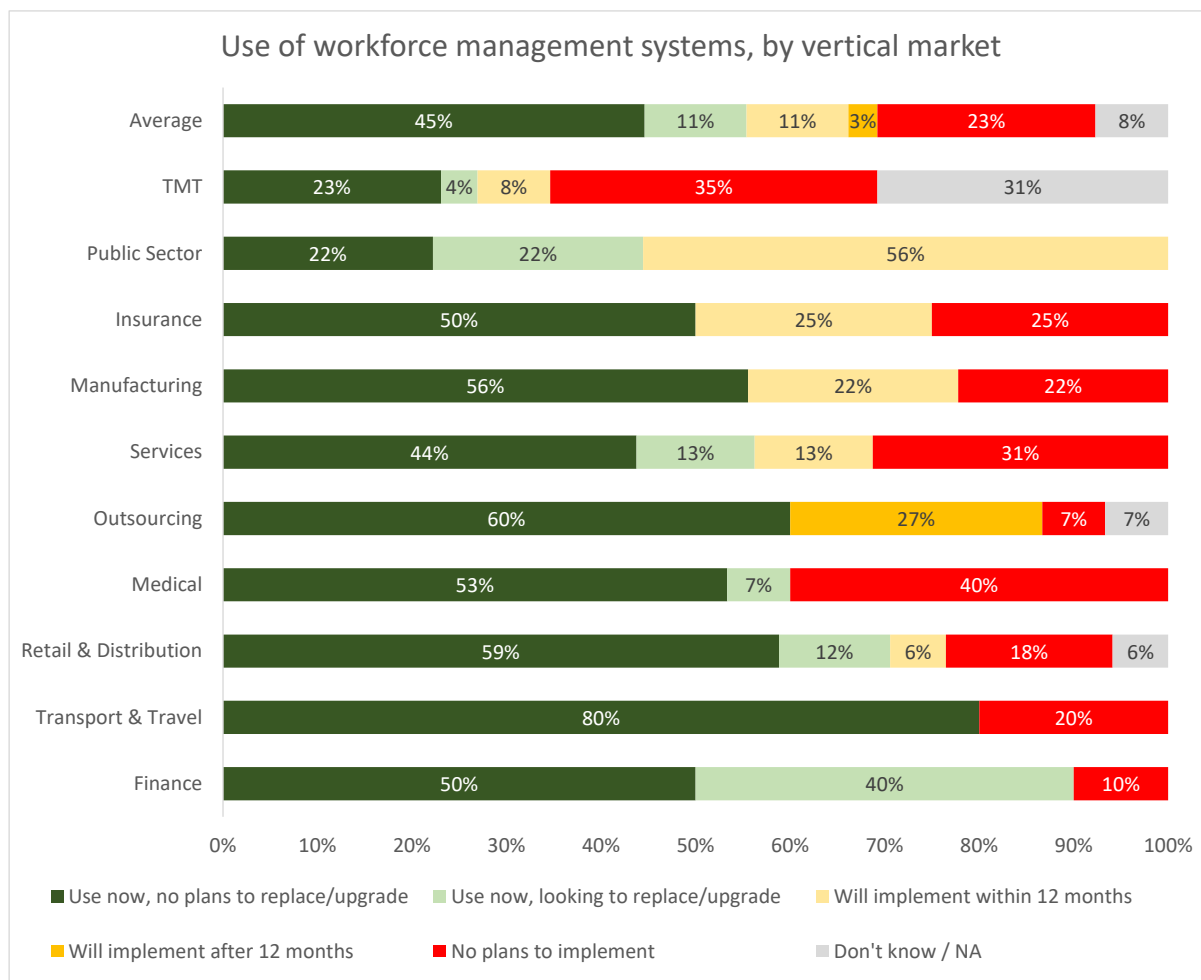


Large operations are far more likely to use dedicated third-party workforce management applications into which historical data can be fed, providing a far more accurate schedule. Small contact centers have traditionally been less likely to have implemented workforce management, due to issues over cost, complexity and whether it was even necessary in small operations. Recent years have seen opportunities via the cloud model, as well as subscription-based pricing alternatives, which enable accurate forecasting and scheduling options for smaller contact centers.

As the likelihood of workforce management system usage is far more of a factor of size and call volume, rather than the business type, care should be taken with the following chart which shows respondents' WFM penetration rates by vertical market.

Those respondents in the finance and public sectors report being most likely to be looking to upgrade their WFM systems, with those in the public and insurance sectors most likely to be implementing the solution within the next 12 months.

Figure 5: Use of workforce management systems, by vertical market



WORKFORCE MANAGEMENT: MANAGING THE IMPACT OF THE WIDER BUSINESS ON THE CONTACT CENTRE

No contact center is an island. The volume, type and distribution of interactions can vary considerably, sometimes at very short notice, depending on actions happening elsewhere in the organization of which the contact center may be unaware. As such, procedures should be put in place to inform the contact center of issues and strategies that may alter their resourcing requirement.

For example:

- commercial leadership, HR and the contact center must communicate effectively in order to identify skills gaps caused by a change in business strategy or direction, that can be closed through training and/or the recruitment of employees that display the required behaviors, characteristics and capabilities
- the types of skill set assigned to agents should be continually revisited in order to make sure that they are aligned with the requirements and reality of the contact center, and the wider business strategy
- ongoing communication between the contact center and ‘demand-generating’ parts of the business (e.g. marketing, sales and new product development) and the execution parts (e.g. fulfilment, warehousing, etc.) needs to take place, so that likely scenarios can be built and tested in the WFM solution and any gaps in resource or capability can be identified and filled
- the amplifying nature of some social media can lead to sudden spikes in interactions, and also require agents to propagate specific messages at very short notice. While the responsibility for social media is gradually coming into the contact center’s sphere of influence, there are still many notable occasions where a separate social media team’s actions or inactions can create difficulties for the contact center, and the WFM solution should be capable of moving into firefighting mode in such instances, correctly shifting resource into the necessary areas while informing agents of the official company line.

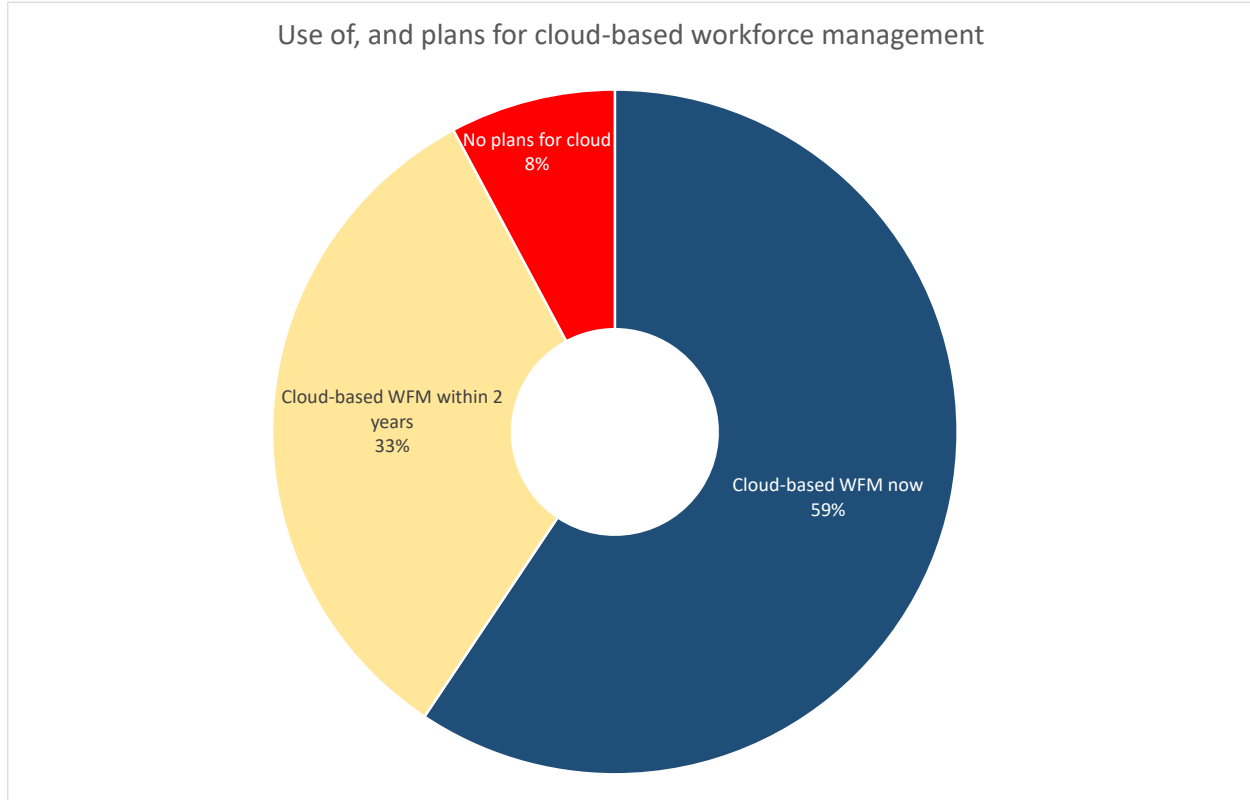
THE FUTURE OF WORKFORCE MANAGEMENT SOLUTIONS

Agents account for around 75% of contact center costs, and as effective workforce management solutions have such an impact on efficiency, productivity and expense of the operation, workforce management will continue to be amongst the most important tools of the contact center's disposal. This is a very interesting time for those involved in WFM, as many disruptive influences – cloud, flexible working, analytics, multichannel / omnichannel and back office WFM – are coalescing simultaneously, driving vendors to expand and develop their functionality.

Cloud-based solutions don't just offer financial benefits: as the time taken to roll out new releases is so much less than the traditional CPE model, vendors can bring out new versions much more frequently, and experiment with offering cutting-edge functionality far sooner than they would in a traditional premise-based deployment environment.

The continued rise in homeworking, virtualization, and mobility in general will be a major driver for the uptake of cloud-based solutions. This model also encourages smaller operations to implement WFM, or experiment with functionality that was previously out of their price range. The chart below shows the significant movement towards cloud-based WFM: this year's figure of 59% for cloud-based WFM was only 20% in 2015.

Figure 6: Use of, and plans for cloud-based workforce management



Workforce management solution providers are keen to expand out of the traditional contact center, with the **back offices and branches** of large organizations being seen as potential goldmines. Far more employees work in these spaces than in the contact center, although many back offices lack the same focus upon efficiency and the tools to improve it. With the increased focus on the entire customer journey – and the understanding that this is where many processes fail, making more work for the contact center in terms of call-backs – back-office processes are starting to fall within the remit of customer experience professionals, who are likely to take their knowledge of contact center workforce management and apply it in these new areas. The industry is likely to see back office and contact center workforce management systems will see ever-closer integration, or even to work as a single centralized function that can track and analyze the effect of different departments and processes on others throughout the customer journey. It is certainly noticeable that the use of back-office WFM functionality had grown greatly in the past few years, and elements such as intraday are often included within this.

This is not to say that selling back-office workforce management solutions is a simple matter of repackaging existing contact center functionality, as the back office has somewhat different requirements to the contact center – for example:

- lack of automation for tracking inbound/outbound work
- handling deferred workloads
- the assumption that forecasts built on contact center events and volumes are similar to the back office
- longer service levels
- different resource requirement calculations
- manual and complex tasks
- more likely to be based at multiple sites
- adherence to schedule without data from an ACD
- identification of bottleneck processes.

Yet the opportunity exists and contact center workforce management vendors are in a prime position to make the most of it.

Omnichannel/multichannel forecasting and scheduling will become even more important, not just as overall digital interactions grow generally across the industry, but also as those operations that have been struggling to handle a small proportion of emails recognize that the problem is not going to go away, and look to invest in new workforce management solutions. The recent issues around moving contact centers to a remote working scenario meant that some businesses decided on a digital-first strategy, and the huge increase in voice calls seen by some businesses meant that call queues were intolerable for many customers who then tried digital channels instead: digital channels have seen a major increase in volumes as a result, and this is unlikely to sink back to pre-pandemic levels, so businesses will certainly need to factor this into any forecasts and schedules.

Additionally, the rise of chatbots and voicebots means that the interactions that AI carries out instead of agents should be considered in longer-term planning at the least.

While a considerable proportion of organizations still have dedicated digital teams, many small and mid-size operations have a much more flexible approach to omnichannel, and the ability to move agents between channels in the near-real-time capacity will be highly prized. It is noticeable in previous charts in the chapter that the majority of operations are less than happy with elements of their current omnichannel WFM functionality, so we can expect to see further efforts from solution providers into improving this.

It's important to understand that the number of channels will continue to increase: even traditional media such as letters and faxes still have their place in many contact center operations, messaging apps are positioning themselves in the customer contact space, and the recent wave of new video users (e.g. through Zoom) means that customers will be familiar with this channel if businesses decide to use it. Next-generation WFM solutions need to be flexible enough to handle any number of new channels, taking into account their nature and customers' expectations of service level when using them. It is also likely that more AI-enabled workforce management systems will be able to predict with a reasonable level of accuracy those interaction types which are likely to require more than one channel in order to handle them successfully, and forecast and schedule appropriately.

It is not only the changing mix of channels that should be considered, but also the type of interactions coming through each. It is fair to say that easier work will continue to move to self-service and AI-enabled digital channels, and it should also be noted that in the pandemic crisis, call lengths went up considerably: queries were more difficult; agents had less familiarity with these issues; remote agents often did not have the same access to their usual knowledge bases or support systems; customers who had waited a long time in a queue may want to ask more questions or receive greater reassurance so that they won't have to call back. Despite the effects of the pandemic receding, KPIs have not generally returned to historic levels: call duration and queue lengths remain high and customer preference for telephony is at its highest level. As such, the typical contact center faces pressure on the voice channel which planners cannot assume will revert to pre-pandemic norms any time soon.

There has been significant investment made in recent years to improve the **WFM user interface** without sacrificing the sophistication of the solution, in order to offer the benefits and capabilities to a wider audience than dedicated technical WFM professionals including simplified interfaces and the use of remote apps. This will accelerate, as it is in the interests of both the vendor and the business to be able to use more advanced functionality: on the one hand to justify the extra expense of the solution compared to basic workforce management; on the other to gain competitive advantage without having to employ more WFM specialists.

Contact centers as a whole are now certainly less centralized than in the past: **virtualization and homeworking** have recently become well-entrenched in many organizations, with knowledge workers also being used more frequently. Users of WFM may also need to consider how any crowdsourced customer support resources will affect the demand for agents' services. The power and ubiquity of smartphones and tablets have led to an increase in mobile working – no longer do supervisors or managers have to be at their desks in order to monitor performance and react accordingly – and the new generation of workers have an expectation, both culturally and supported through regulation, that their employment will be treated as flexible by the business as well as themselves. This attitude towards work, and the increased empowerment of individuals will mean WFM functionality that allows shift-swapping, vacation bidding and short-notice shift changes are now required, with smartphone apps supporting this. The term 'intraday' – referring to dynamic scheduling and resourcing in response to rapidly changing conditions – is so useful and necessary that intraday capability has become standard functionality in many WFM solutions.

It is also likely that increased agent self-responsibility will lead to a situation where they are more empowered and aware of their own performance and skills gaps, allowing them to take control of their education and training rather than waiting for a team leader or trainer to tell them what to do.

The technological strides being made in **analytics** are leading to advances in data modelling and analysis that are finding their way into current and future workforce management offerings, including the use of artificial intelligence to improve forecasting and scheduling in difficult-to-optimize areas such as call blending. Customer journey analytics, which includes looking at workload necessary in back office operations to fulfil the overall transaction, will be supported through the use of artificial intelligence which will be able to use data from multiple sources throughout the enterprise in near-real-time to predict demand, forecasting and scheduling resource based upon far deeper data than simply historical ACD statistics.

WFM will continue to **integrate** more deeply with other elements of the WFO suite: analytics is an obvious area where business intelligence and contact center performance meet closely, but also the performance management and QA modules, identifying best practices and singling-out agents skilled in particular types of interaction or channel. This will enable contact centers not just to have enough agents at the right place at the right time, but enough of the **right** agents. This insight will also feed into coaching and eLearning functionality, sharing best practice and identifying training opportunities. This focus on putting the right agents in the right place at the right time can go a step further by looking at agent personas, which are based on past performance and biodata, as well as their personalities, behavior and motivations in order to match agents with the predicted type of work and customers that they would handle best.

CALL RECORDING & QUALITY MANAGEMENT

Call recording and monitoring have been around for a long time, and remain at the forefront of the battle to improve quality and thus customer satisfaction and loyalty. The new generation of interaction recording solutions brings the whole contact center into play, supporting agent best practice and improvement, ensuring compliance with regulation as well as improving the organization's insight into the customer experience through analytics.

METHODS OF USING CALL RECORDING

Recording solutions have moved on from the days of simple bulk recording, and the phrase 'call recording' is no longer an accurate description of the solution, and it is certainly more realistic to talk of 'interaction recording', which captures and synchronizes what is happening on the agent's screen with what is happening in the audio channel, and allows recording of after-call work, email and web chat, and can be used to identify areas of workflow improvement.

The traditional user of interaction recording solutions has been the contact center supervisor or team leader. The **supervisor** deals heavily with quality monitoring at the agent and team level, using the recording facility along with data about the call (e.g. call outcome) to provide examples of best practice to other team members. This means the supervisor does not have to listen in live to the call, but can choose which to listen to, considerably reducing cost and improving focus.

The supervisor may also be responsible for the initial stages of customer dispute resolution, and can find out exactly what has been said by customer and agent in order to deal with the matter accurately. In industries where recording may be a legal requirement – an increasing trend – businesses may have **compliance officers** to deal with disputes. Even in areas which do not require bulk recording, many companies look upon this solution as a tool to protect against an increasingly litigious world.

With some of the more sophisticated interaction recording solutions available, the supervisor can move into a more analytical role, understanding not only what has happened, but the reasons for it as well. Taking a top-level view of team performance, a supervisor may see that certain types of call have been dealt with very quickly by a specific agent. Standard management information systems may show this as a positive situation, but the use of interaction recording capabilities may find that the agent is unable to help the customer and is simply passing the call through to colleagues. Now the supervisor has a chance to improve the situation rather than missing the problem altogether.

Agents can be given the chance to add to the value which interaction recording can provide. By using agent-initiated tagging of calls, your front-line team can add to the store of useful information which can be acted upon by the company as a whole. For example, if customers talk about the competition and what they are offering specifically, these agent-tagged calls can be reviewed for possible action by a business's commercial team. This has the added benefit of making agents feel

a key part of the overall business. This is increasingly done automatically through the use of analytics.

A strategic use of call recording may occur at the **management or executive** level. When all interactions are recorded and analyzed, a complete performance management program may be put in place. Agent performance can be viewed by supervisors, team performances can be analyzed by the operational manager, and contact center performance can be evaluated by executives. Analysis of interactions is also vital as part of a wider process optimization strategy, to identify good and bad business practices and business process bottle-necks. Analysis of interaction recording is also vital to gaining a thorough understanding of the customer experience across channels and interactions, as part of a customer journey / Voice of the Customer project.

Using interaction recording, the performance of the contact center as a whole can be viewed in terms of quality, not just quantity. Key performance indicators can be set and reviewed (such as average revenue per call), which are directly relevant to the needs of a business as a whole. Contrast this with the traditional efficiency measures of a contact center's success: average speed to answer, average call duration and occupancy rate. Measurement and improvement in key performance indicators, due to interaction recording analysis, will help to **prove** the contact center capable of making a real impact on a company's profit.

Of those contact centers which use interaction recording, the majority use it for both quality assurance and training purposes, so that the supervisor and the agent can both learn from it. Many of those using interaction recording solutions are trying to get their senior management involved in what goes on within the contact center. Compliance has also been a major reason to implement call recording.

Call recording may be used in three modes:

- **100% call recording:** often used for compliance purposes, this records the entirety of every call. It also allows interaction analytics solutions to look at every call for patterns of business insight, flag up any issues around compliance and also to quality score agents automatically rather than rely on supervisors listening to the right calls
- **Random / Scheduled Call Recording:** priority-based call recording schedules can be defined based on business rules, using multiple criteria on each schedule
- **On-Demand Call Recording:** contact centers may have situations where they do not need to record an entire call. On-demand recording can be customized to support agent-initiated call recording through a desktop interface, or automated through call recording triggers sent from third-party software. Pause-and-resume recording is used by over half of contact centers to avoid recording sensitive card data, although this in itself does not ensure PCI compliance. For more information about this, and other payment card-related issues, see [“The Inner Circle Guide to Fraud Reduction and PCI Compliance”](#).

60% of respondents that use call recording do so for all calls, with 40% having the option to record only a part of their overall voice interactions. 62% of these respondents state that they can choose to record based on the call profile (i.e. business rules based on the nature of the call), and 38% will do so based on the inbound number called. 32% identify the inbound caller's number and decide whether to record or not based on that.

Figure 7: Situational recording choices

Situation	% respondents choosing to record or not record
Call profile (e.g. do not record calls made to HR; outbound calls to states with 2-party recording regulations; etc.)	62%
Based on DNIS (dialed number identification service), i.e. the number being called	38%
Based on ANI (automated number identification), i.e. the number calling in)	32%

As with any form of recorded and potentially sensitive customer data, the secure storage of recorded calls must be taken into account. More than half of respondents choose to store their recorded calls offsite, either as part of a cloud-based call recording solution, or through a dedicated backup facility as part of a wider disaster recovery plan, a figure that grows each year.

The majority of respondents in all sizes of operation state that they have dedicated secure hardware on-site in which to store their call recordings, and some choose both on-site and offsite duplication of storage. A small proportion of respondents from smaller operations state that the call recordings are stored onsite on standard hardware (e.g. in hardware that is also be used for other purposes).

RECORDING FOR QUALITY ASSURANCE

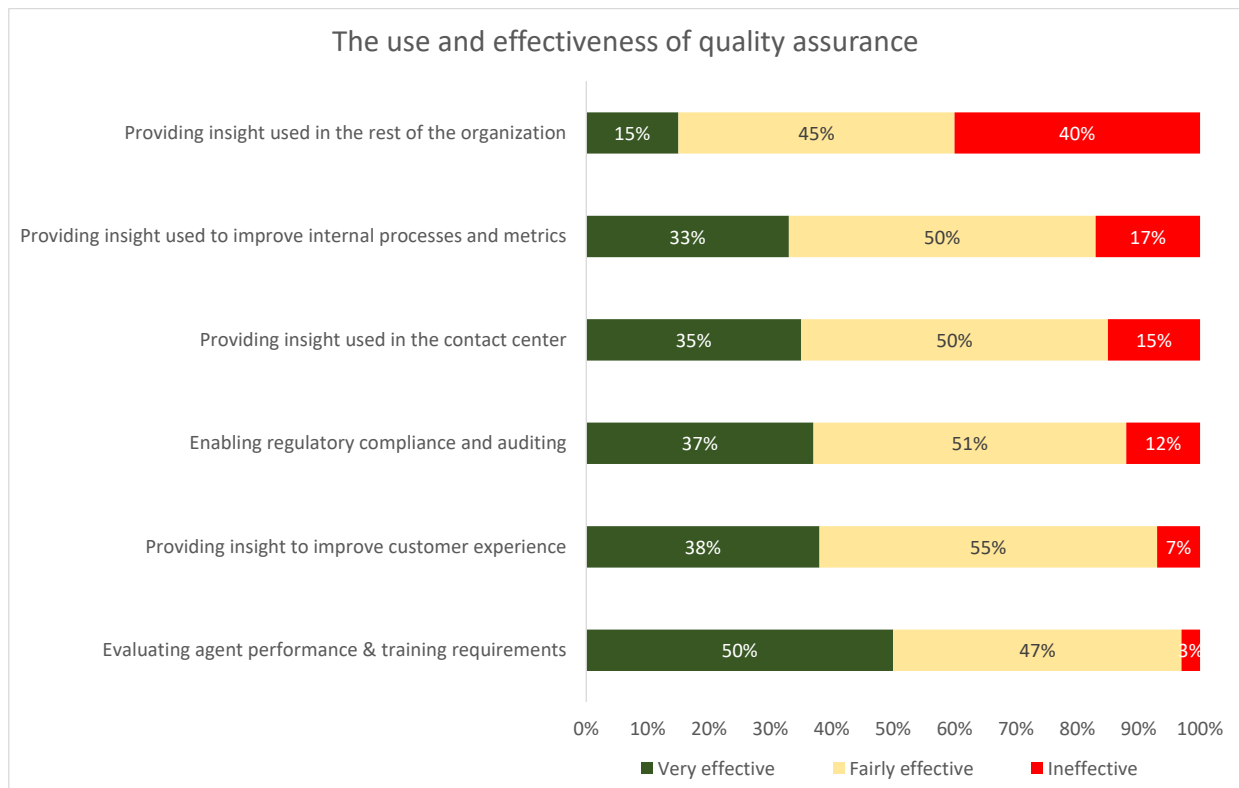
When respondents were asked about how effective their QA processes are, it is noticeable that more of these respondents are lukewarm about the results of their QA processes than are actively enthusiastic: only “enabling regulatory compliance and auditing” and “evaluating agent performance & training requirements” had more respondents judging the QA process as ‘very effective’ rather than merely ‘fairly effective’ for these purposes, showing that there is still a need for improved functionality.

38% feel that QA drives customer experience improvements significantly, however, customer insight gained from the quality assurance process stands a very significant risk of not being used effectively within the wider organization, although the feeling is that it does generally help the outcome at agent level.

As such, it seems fair to comment that QA is currently used far more effectively and widely as a tool for improving agent productivity and skills, rather than as input into strategic business improvements, and it is fair to say it is not yet being used at its full potential.

Integrating QA/recording with other part of the wider WFO suite means that insights gathered from QA can be shared that identify areas of weaknesses at an agent and group level that can guide eLearning / coaching priorities and also gamification. Using automated analytics will further strengthen these insights, and this will be considered in the next section of this report.

Figure 8: Effectiveness of quality assurance



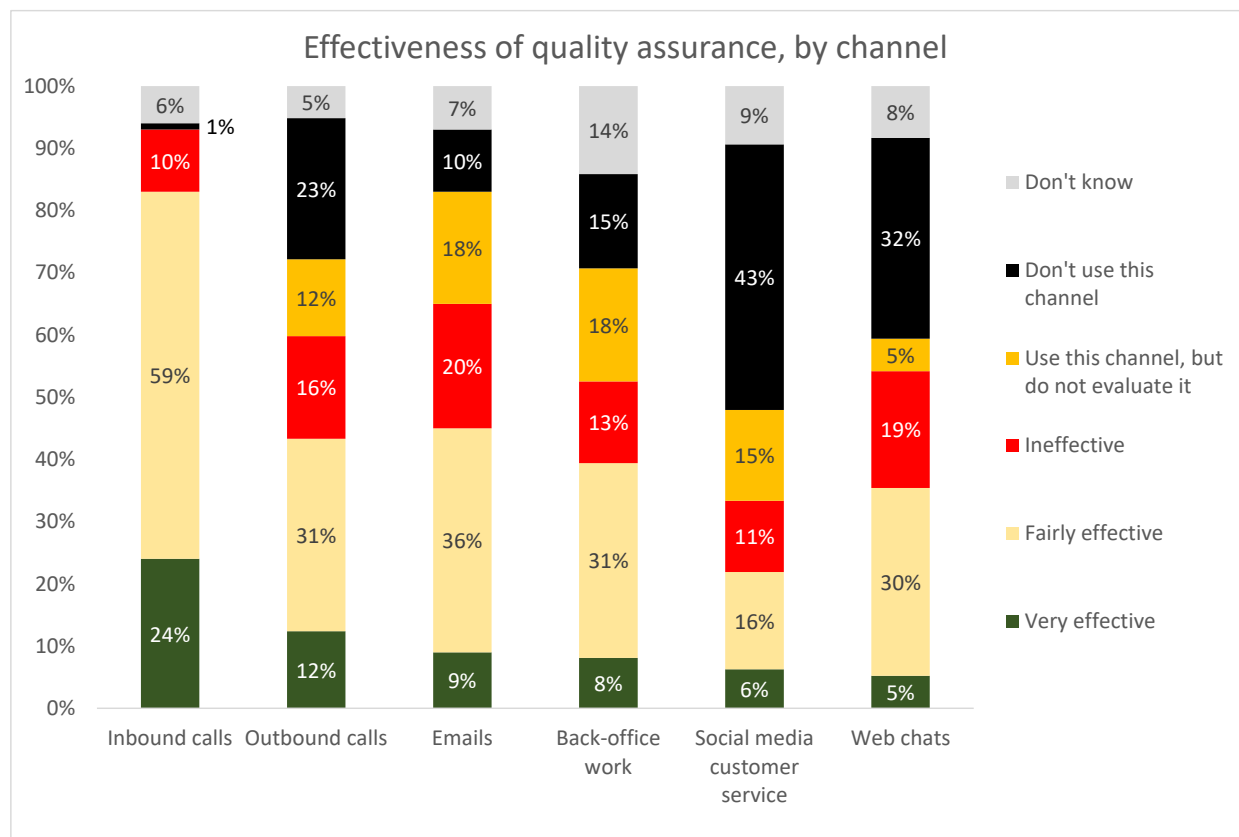
OMNICHANNEL QUALITY ASSURANCE

Survey respondents were asked their opinion on how effective they felt their quality evaluation was for specific contact center activities, including inbound and outbound activity, and multichannel work. As might be expected from the activity that has been around the longest, inbound telephony was judged to have the most effective quality evaluation, with 24% of all respondents stating that it was very effective. Evaluation of outbound calling was somewhat less positive, with 16% of the respondents who evaluated outbound activity feeling it was ineffective and only 12% very effective.

For back office work evaluation, more respondents believed their QA to be ineffective as very effective, but the majority either did not have an opinion, or did not use quality evaluation for back office processes. As workforce optimization solutions continue to evolve, and processes get tracked throughout the enterprise – not just in the contact center – the back office will have considerably more attention drawn to it, as these findings suggest that it is ripe for improvement in many organizations.

The quality evaluation of digital channels still has some way to go to reach the standard of telephony QA. Only 14% of respondents **that evaluated email quality** said that it was very effective, and 31% believed it ineffective. For a channel that has been offered to customers for well over a decade by most businesses, this is not very impressive, and social media and web chat had similar results.

Figure 9: Effectiveness of quality assurance, by channel

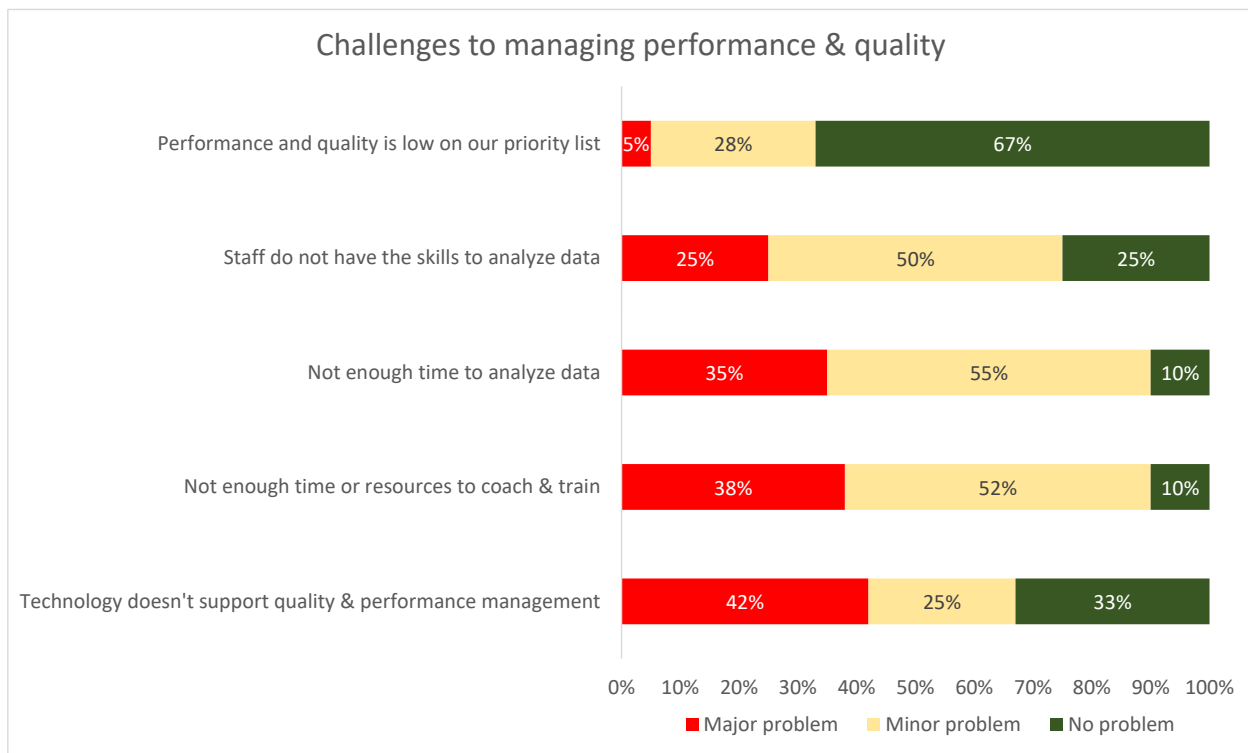


CHALLENGES TO IMPROVING QUALITY & PERFORMANCE

The greatest challenge to managing performance and quality is reported to be caused by not having sufficient time to analyze and use data, with 90% of respondents stating that this was a problem in some form, and 35% stating that it is a major problem for them: this is particularly the case in medium and large operations. Not having enough time or resources to coach and train was seen as a similar-sized issue. 25% of respondents also stated that it was a major problem for them that staff using the QA solution did not have the necessary skills to get the most out of the solution.

This suggests a greater level of automated analysis and insight is required from quality and performance solutions, a hypothesis which may be seen to be further supported by noting that 42% of respondents strongly believe that their current performance and quality technology simply does not support what they would like to do.

Figure 10: Challenges to managing performance & quality



The challenge of greatest concern to mid-sized operations is also related to training and coaching: a lack of personnel to deliver this, even assuming that the QA process has successfully identified training requirements at an individual level. Once again, increased automation could be the answer here: e-learning has grown greatly in importance and popularity over the years, and in many cases has taken over from the traditional lecture-based forms of mass coaching, without requiring the one-to-one dedicated time and effort which places even greater strain on resources. It is positive to say that very few of our respondents believe that performance and quality is low on the priority list: just that their systems and personnel are having difficulty achieving their goals.

KEY ISSUES IN QUALITY MANAGEMENT

Operations driving their performance and quality forward often carry out many of the same types of improvement:

- **Assessment:** changing QA assessment frameworks (the scorecard), not just in the contact center but in some cases across back office functions as well as for emails and other contact types
- **Freedom:** empowering agents to do what is needed to meet the customers' needs; stepping away from the standard process where this is not appropriate and taking steps to improve processes for the future and aiming for improved first-contact resolution
- **Development:** creating a cultural change supported by a new coaching and development framework – for example, how the evaluation process is used for performance management and enabling the advisors to make suggestions for improvement
- **Learning:** linking quality into a wider continuous improvement framework, gaining insight about the drivers for customer satisfaction and loyalty which can be shared throughout the organization in a quality-focused 'Voice of the Customer' program
- **Voice of the Employee (VoE)** programs involve businesses gathering feedback from their agents so that improvements can be made in customer experience: this may involve job engagement studies, verbatim feedback from agents and quantitative surveys.

There are also some clear critical success factors:

- Organizations need to distinguish compliance from customer satisfaction. Adherence to process and risk management are vital in most industry sectors but they don't necessarily drive customer satisfaction, so there has to be a balance that doesn't impact the customer negatively
- Organizations have to put the customer first: learning from customer feedback mechanisms is essential to driving success, and this increasingly includes using customer journey analytics to understand what happens away from the call that impacts upon success
- There has to be a strategic use of quality: aligning QA to strategic goals is extremely important, as if businesses are measuring something that doesn't impact upon their strategic aims, then it's a pointless exercise that takes focus away from what's really important.

The process of quality management - which includes quality assurance and quality monitoring (QA/QM) - tends to look at several specific steps in an iterative cycle:

1. interaction recording
2. monitoring and scoring interactions, whether through manual or automated analytical processes
3. identification of issues and subsequent feedback, coaching, training and eLearning
4. reporting at an integrated level
5. identification of areas for improvement, which are then acted upon and measured.

It is the responsibility of contact center management to identify required agent behaviors and characteristics that are most closely aligned to the operational requirements of the contact center, which should themselves be driven by the strategic requirements of the entire organization. The time is long since passed when agents' performance was focused on call duration or number of calls handled per hour: in fairness, this focus upon the production line method of handling interactions may have been more to do with the lack of tools available to look at metrics that impacted the customer experience. Nowadays, there is no excuse for focusing on efficiency to the detriment of quality and customer satisfaction, nor are there now many examples of contact center operations that continue to pursue this way of working.

Voice of the Customer (VoC) programs help to identify the characteristics and outcomes of interactions that customers most value, rather than simply ensuring compliance. Research consistently finds that first-contact resolution is one of the two key drivers for CX (the other being short wait times). However, many contact centers are still measuring and rewarding agents based upon metrics and behaviors that are not aligned with a customer-centric outlook. Quality scoring tools and processes must be flexible enough to encourage and reward the agent characteristics and skills that support the overall organization's aims, rather than seeing the contact center existing in a vacuum where productivity is all. Scoring criteria should be re-evaluated on a regular basis, and to make sure that scores are fair and consistent across the contact center, there should be regular re-checks of calls already scored by other supervisors, QA staff or by analytics.

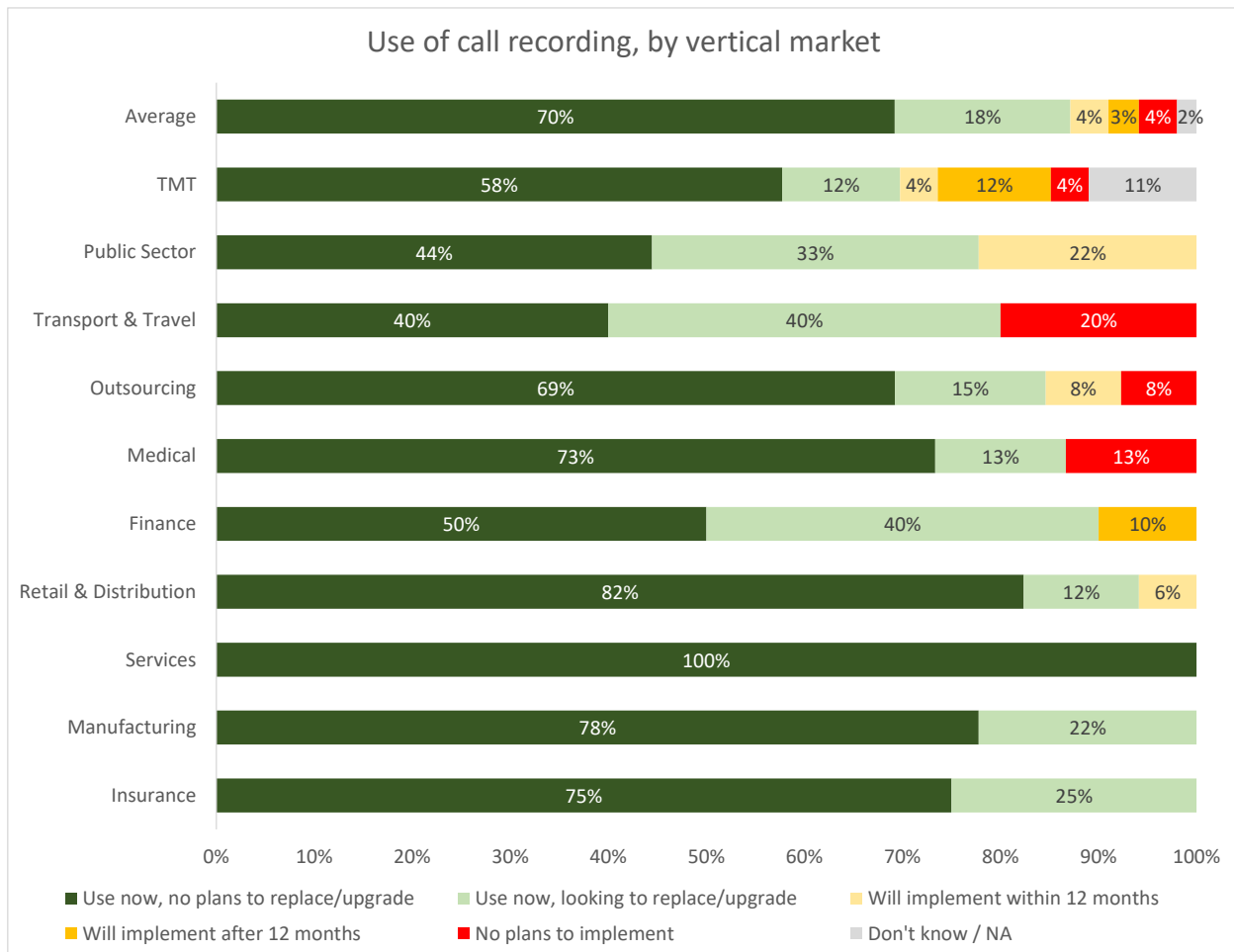
As the focus of contact center's success moves away from the individual interaction, and more into understanding the entire customer journey, no matter how long that takes, quality management should look to do the same. Many customer interactions require more than a single interaction or channel, and to understand quality from the customer's viewpoint, all of the interactions between the customer and business should be monitored and understood, not just within the boundaries of the contact center but also throughout the customer journey.

In operations which are using manual quality processes, listening to 100% of calls is clearly impossible. The majority of benefits from quality monitoring come from understanding the best and the worst calls, so as to propagate best practice and to retrain agents where needed. However, listening to a small random sample of calls is unlikely to show either the highs or the lows, so this is an opportunity missed for many operations. The use of speech analytics for quality purposes has taken off significantly, especially in larger operations. This allows the analysis of all calls, allowing supervisors and QA teams to focus upon the areas in most urgent need of attention, and to provide training and coaching to those agents in greatest need. The next section of the report considers analytics in more depth.

CURRENT USE OF CALL RECORDING & QUALITY MANAGEMENT

Consistently one of the most widely-used contact center technologies, call recording is used by 88% of this year's respondents, 20% of whom state that they wish to replace or upgrade their current system. Only 4% of respondents have no intention of using call recording, many of which are in the transport & travel sector.

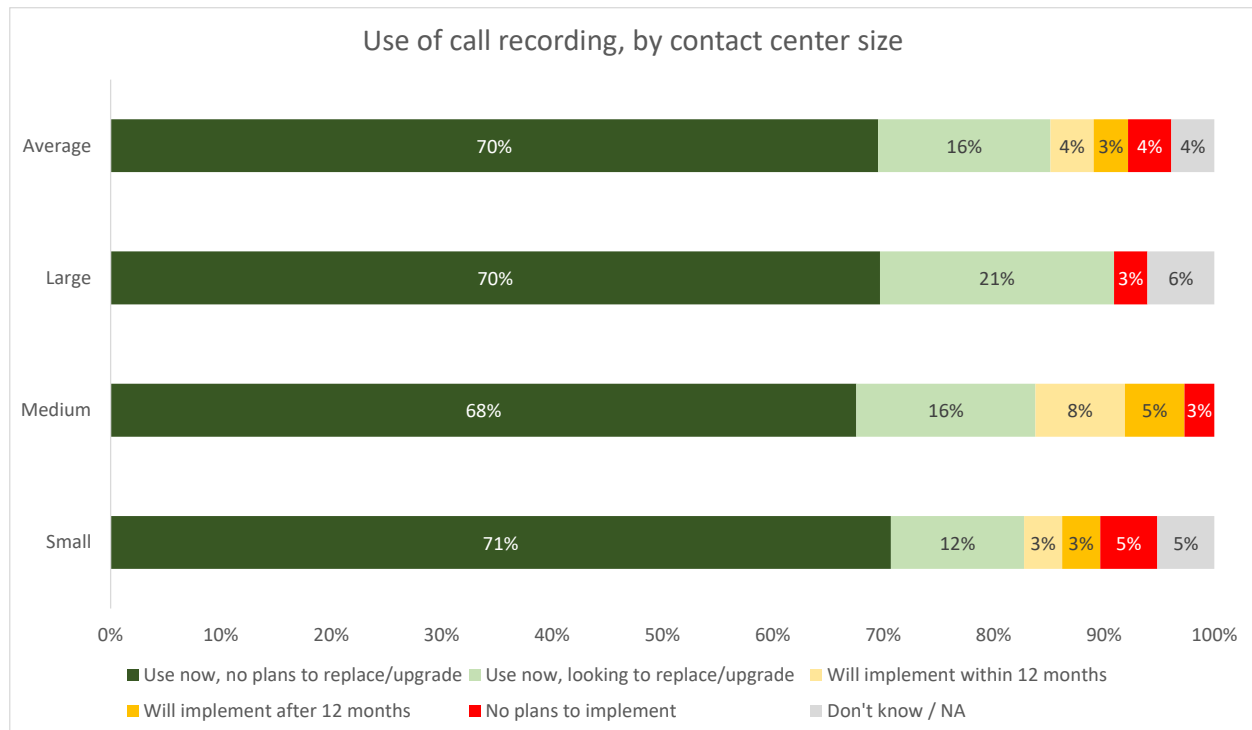
Figure 11: Use of call recording, by vertical market



A considerable proportion of respondents in the transport & travel and finance sectors report that they are looking to update their call recording solutions. Taken in the context of data from elsewhere in this report, this is almost certainly connected with adding speech analytics capabilities to the recording functionality in order to improve the QA process, increase compliance and gather new business insight from their customer interaction records.

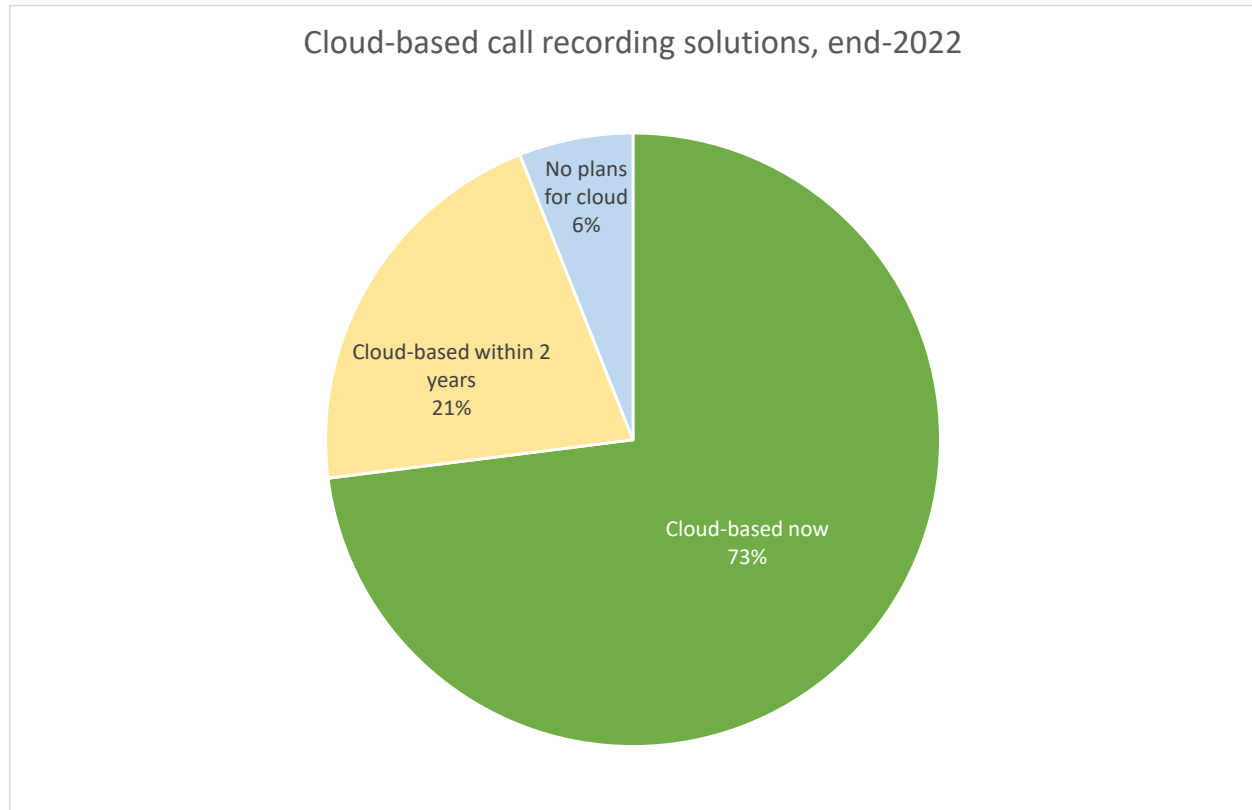
The use of call recording has in the past been influenced by the size of the contact center operation, although the current figure of 83% penetration in survey respondents from small operations shows that vendors have been able to offer solutions successfully at various price points and deployment methods.

Figure 12: Use of call recording, by contact center size



Almost three-quarters of survey respondents using call recording have a cloud-based deployment, with a similar proportion of those not yet doing so planning to move to cloud within two years.

Figure 13: Cloud-based call recording solutions, end-2022



THE FUTURE OF CALL RECORDING & QUALITY MANAGEMENT

As quality-focused call recording is used by the vast majority of the industry, contact centers have a clear understanding of what works for them and what doesn't.

Respondents to recent ContactBabel surveys were asked which interaction recording functionality they would most like to add or improve. Of the seven choices provided, three stood out as the most popular. In order:

- providing better data management information systems and reporting
- adding and improving multichannel capabilities.
- improving the ease of use for supervisors and trainers.

The most frequently-stated addition to recording functionality is a demand for higher quality of data to feed into the management information and reporting process (and also into the supporting wider analytical processes). Many respondents also acknowledge that recording is moving out of the voice-only territory, and will need to be able to handle multichannel with similarly rich functionality.

It is likely that the major change to quality management in contact centers will come from the continued growth in the use of analytics, which allows organizations to take 100% of calls and interactions into account within the quality process. This easily and quickly identifies the outliers – both good and bad – as well as being able to provide analysis of all of an agent's calls so as to assess them more accurately.

Based on results from quality management professionals who state that they do not have sufficient time to do everything that they would like to, we would also expect future quality management tools to focus on further automating manual processes. Furthermore, significant proportions of survey respondents indicate that outside the traditional practice of ensuring the quality of inbound calls, QA is far less effective in handling digital channels. As the relative and absolute importance of non-voice interactions will continue to grow throughout the industry, this is a challenge to which solution providers must rise.

AI-enabled sentiment analysis has been shown to be useful in predicting NPS (Net Promoter Score) and can feed into the quality process: for example, for interactions with negative sentiment, further analysis can be done to determine whether this is an issue with the agent or a sub-optimal process.

ANALYTICS

Customer interaction analytics solutions offer huge opportunities to gain business insight, improve operational efficiency and develop agent performance. The vital thing to understand about analytics is that it gives contact centers the answer to 'Why?', not just 'What?'. Why are average handle times so different across agents? Why are customers of this product upset? Why are people calling the contact center?

Depending on the type of business, the issues being faced and even the type of technology being implemented, drivers, inhibitors and return on investment can differ greatly. While an analytics solution may be implemented to look at one particular pressing issue, such as automating the QA process, it can further develop over time into looking at business intelligence and process optimization.

Interaction analytics can be used in many different ways to address various business issues. This is an advantage – it is hugely flexible – but it can also make its message to the market more complicated. However, depending upon how interaction analytics is used, it can assist in:

- agent improvement and quality assurance
- business process optimization
- avoidance of litigation and fines
- customer satisfaction and experience improvements
- increases in revenue and profitability
- improvements in contact center operational performance, and cost reduction.

For the purposes of this report, the analytics chapter will focus mainly on the first of these as it is clearly most closely linked to WFO.

For readers wanting more in-depth information about the wider uses of contact center interaction analytics, **“The Inner Circle Guide to Customer Interaction Analytics”** is available from <http://www.contactbabel.com/research>.

FUNCTIONALITY

Like most contact center applications, analytics can be used to cut costs, but its promise goes far beyond this. No other contact center technology provides the business with this level of potential insight that goes far beyond the boundaries of the contact center, and can offer genuine and quantifiable ways in which sub-optimal business processes can be improved.

This is not to say that the science of customer contact analytics is yet at its zenith. Significant improvements are still being made to the accuracy and speed of the speech engines, the sophistication of analytical capabilities, the integration of various data inputs and the usability of report. The integration of sophisticated AI and machine learning capabilities within the analytics solutions offers the chance to take analytics far beyond what was imagined a few years ago.

Some of the actionable findings from analytics may seem very simple – the recommendation to change a few words in a script, for example – but the overall potential impact upon the cost, revenue, agent capability and customer experience that is possible through analytics is perhaps unprecedented.

There are various elements to customer contact analytics solutions, including::

- **Speech engine:** a software program that recognizes speech and converts it into data (either phonemes – the sounds that go to make up words – or as a text transcription, although there are solutions which directly recognize entire spoken phrases and categorize calls based upon the occurrence of those phrases)
- **Indexing layer:** a software layer that improves and indexes the output from the speech engine in order to make it searchable
- **Query-and-search user interface:** the desktop application where users interact with the analytics software, defining their requirements and carrying out searches on the indexed data
- **Reporting applications:** the presentation layer of analytics, often in graphical format
- **Business applications:** provided by vendors, these pre-defined modules look at specific issues such as adherence to script, debt collections etc., and provide suggestions on what to look for
- **Text analytics:** this solution combines the transcription of customer calls with other forms of text interactions such as email, web chat and social media. It then uses natural language processing models along with statistical models to find patterns
- **Desktop data analytics:** a solution that gathers metadata from agent desktop and CRM applications – for example, account ID, product order history and order value – and tags them to call recordings or digital records, enabling deeper insight.

IMPROVING THE QUALITY MONITORING PROGRAMME

Interaction analytics tries to take the guesswork out of improving customer experience, agent performance and customer insight. By moving from anecdote-based decisions, from qualitative to quantitative information, some order is put on the millions of interactions that many large contact centers have in their recording systems, improving the reliability of the intelligence provided to decision-makers. The need to listen to calls is still there, but those listened to are far more likely to be the right ones, whether for agent evaluation or business insight.

Organizations using customer contact analytics can carry out an evaluation of chosen calls – for example, unhappy customers – the results of which can be then be fed back into the existing quality assurance process. These are then treated in the same way, without upheaval or any need for altering the QA/QM process, only improving the quality and accuracy of the data used by the existing solution.

Being able to monitor 100% of calls with 100% of agents means that it's possible to make sure that agents comply with all business rules as well as regulations. Linking this information with metadata such as call outcomes, sales success rates and other business metrics means that the most successful behaviors and characteristics can be identified and shared across agent groups.

Customer interaction analytics is of great potential value to a business in terms of discovery, compliance and business process optimization, but the improvements that the outputs from analytics can offer to other elements of the WFO suite, such as agent performance and training should not be overlooked. Scorecards based on 100% of calls rather than a small sample are much more accurate, and support better training and eLearning techniques, and have great potential to cut the cost of manually QAing calls. Analyzing all interactions also means that QA professionals are made aware of any outliers – either very good or very bad customer communications – providing great opportunities for the propagation of best practice, or identifying urgent training needs.

By monitoring and scoring 100% of calls, the opportunity exists to connect analytics, quality assurance and performance management, collecting information about, for example, first-contact resolution rates, right down to the individual agent level. Automatic evaluation of all calls means that businesses will no longer rely on anecdotal evidence, and will be able to break the call down into constituent parts, studying and optimizing each element of each type of call, offering a far more scientific, evidence-based approach to improving KPIs than has previously been possible. Solution providers also believe that embedding analytics more closely into WFO is relatively culturally unchallenging (for the QA team at least), in that the operation is automating and improving something that they've done for many years.

IDENTIFICATION OF TRAINING NEEDS

Apart from 100% monitoring of calls, speech analytics can be used to flag cases of talk-over, as well as silence detection. The former can be a source of irritation to the customer, or an indicator of stress, and long silences can indicate lack of agent knowledge, although long system navigation times or delays in system response times can also cause this. The analysis of these types of call alongside desktop/screen analytics will identify which of these issues is really the problem, with the opportunity to reduce handling times as well as improving customer experience.

Additionally, customer interaction analytics will also make the training and coaching received by new agents in particular far more effective and targeted. This is especially important for this class of agent, as many operations report that a very significant proportion of their overall staff turnover occurs in the first 90 days of the job, when agents are obviously less-skilled or confident about their role or the organization. Analytics can identify the types of behavior – good and bad – that lead to successful call resolution or otherwise, and these can be presented in a targeted way to the new agent to fast-track them to a level of competency that should reduce attrition and improve quality. Such information can be used to focus eLearning and coaching experiences, particularly through an integrated WFO suite.

There is also increased interest in agent self-assessment of calls, where they can view automated quality scoring results, and request relevant training, which fits into the growing WEM employee-centric view of optimizing the contact center.

THE CUSTOMER EXPERIENCE OUTSIDE THE CONTACT CENTRE

Analytics has moved beyond simply considering the voice channel. Customer journey analytics looks at how analyzing the various channels in a holistic manner can identify the bottlenecks and sticking points within the customer contact process, and the reasons why people jump between channels. As we would expect, there is an increasing interest in omnichannel analytics, including considering email, web chat, IVR and web browsing sessions to get the full picture of the customer's real journey in a single interaction, in order to identify and improve any channels that failed to fulfil their requirements. Improving self-service optimization is often a quick win that can provide immediate economic benefit to businesses: around 1 in 5 calls that go into an IVR system are 'zeroed-out': i.e. rejected by the customer in favor of an operator.

Businesses using interaction analytics to review these failed self-service sessions will be able to categorize many of them in order to improve the processes at a macro-level. Common analytical findings show that the IVR system was poorly worded or menu choices are not intuitive or match current service choices. Other failures occur through mistakes in IVR routing, and there may also be problems with a lack of customer awareness that various activities can be carried out by self-service.

Analytics can identify the information that customers are most likely to search for in a self-service application, and provide them with this earlier within the engagement, reducing customer effort and frustration. IVR menu structures can be optimized with options rearranged, removed and/or introduced to reflect customer demand.

COMPLIANCE

Many businesses, especially those in finance, insurance, public sector and debt collection, have become encumbered with regulations which they must follow strictly, with potentially expensive penalties for failure including heavy fines and criminal prosecution. Contact centers have tried to reduce their risk through scripting, call monitoring and call recording, but these do not offer any guarantees or proof of compliance. Speech analytics means that 100% of calls can be verified as compliant – and be proven to be so – preventing disputes or escalation of enquiries by monitoring the exact language used within each call.

This is true for both inbound and outbound operations: purchasing insurance, for example, may require a long script to be read by the agent and agreed to by the customer; whereas outbound debt collection agencies may have to identify themselves and the purpose of the call clearly or else be found to be in breach of regulations. In such cases, using analytics to check and be able to prove that 100% of calls are compliant is a popular option.

Return on investment comes from the avoidance of litigation and fines, and the use of speech analytics for compliance is very prevalent, especially in North America. [The Inner Circle Guide to Fraud Reduction & PCI Compliance](#) looks in this in more depth.

FIRST-CONTACT RESOLUTION

First-contact resolution (FCR) can be increased by identifying repeat callers and eliminating the root cause of repeat calls. Interaction analytics searches for keywords and phrases such as “called before”, allowing businesses to focus on the issues, processes and agents causing the callbacks. This can be supported by further analysis of conversations where the caller has indicated that they have called before, looking for categories such as billing or returning items which will give more indication how FCR can be improved by optimizing processes outside the contact center.

An example of this was an organization that had identified repeat issues as being a problem. Analyzing these calls, it was found that agents were saying "we'll call you back within 3 hours". As the callers were very keen to get the issue resolved, they were prone to overestimate the time passing, so analysis found that many called back before the three hours were up. By changing the script to e.g. "It's now 11.45am, we'll call you back by 2.45pm", customer expectations were set and call-backs dropped immediately. A few weeks later, call-backs went back up, and it was found that many agents had gone back to the 'old ways', and had forgotten to give the exact time.

In order to improve performance, first-contact resolution must be improved, but to do this, an understanding of repeat calls must be gained through quality-focused call recording, analytics and Voice of the Customer programs. These findings will lead to changes in business processes, and may also impact upon the training of agents. Any subsequent changes in contact center volumes will need to be taken into account by the WFM system. It becomes clear that all parts of the WFO suite of applications support and depend on each other, being a holistic, closed-loop system that gets stronger the tighter the integration between the modules.

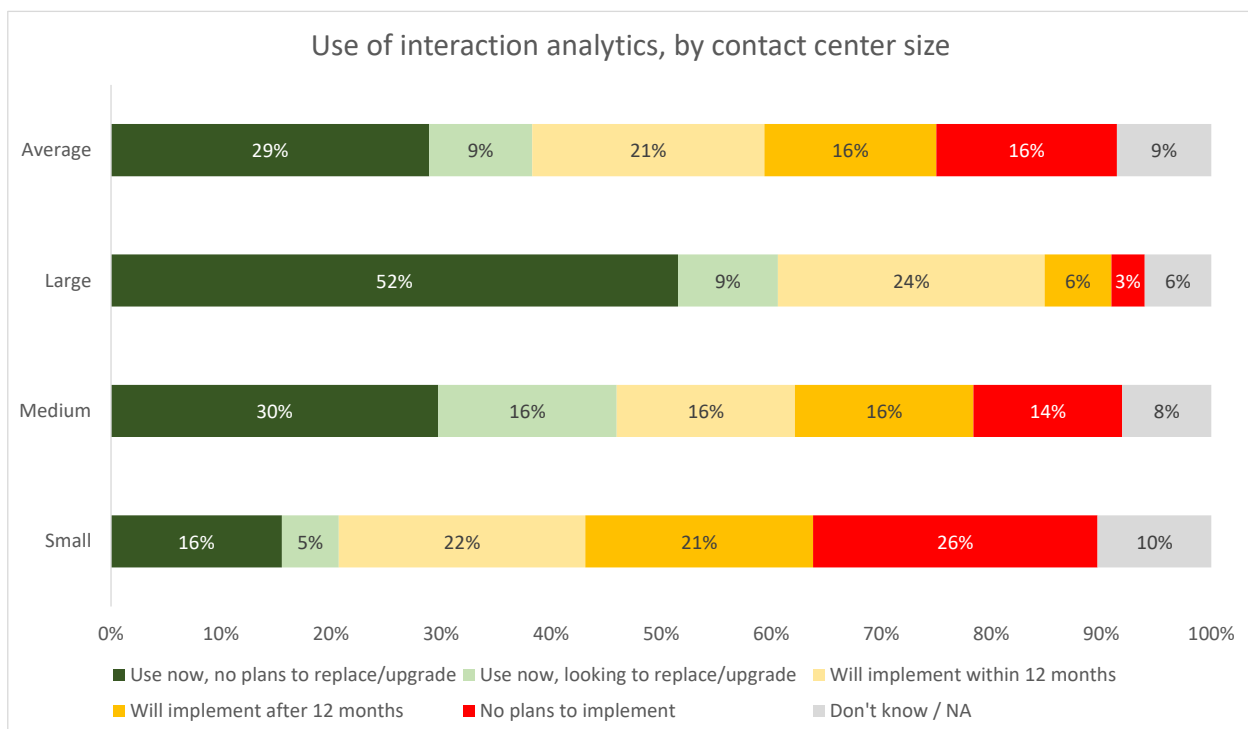
CURRENT USE OF ANALYTICS

Compared to recording-based functionality which has penetration rates of over 90% in most sectors, interaction analytics (especially of the omnichannel variety) is still to reach its full maturity, although the general long-term increase in penetration rates and the enthusiasm shown by contact centers to learn more about the subject is very positive.

The positive correlation between size and penetration rate is still somewhat noticeable for interaction analytics. Having huge volumes of recorded interactions and a large customer base to learn from means that business patterns can be identified more accurately, and any improvements reap correspondingly higher rewards, but some respondents from smaller operations also seem to be using analytics, often for QA.

Large operations are more likely to have the budget and resource to use analytics to its potential, although there is also a significant level of long-term interest in implementing analytics in the small and medium contact center sectors.

Figure 14: Use of interaction analytics, by contact center size

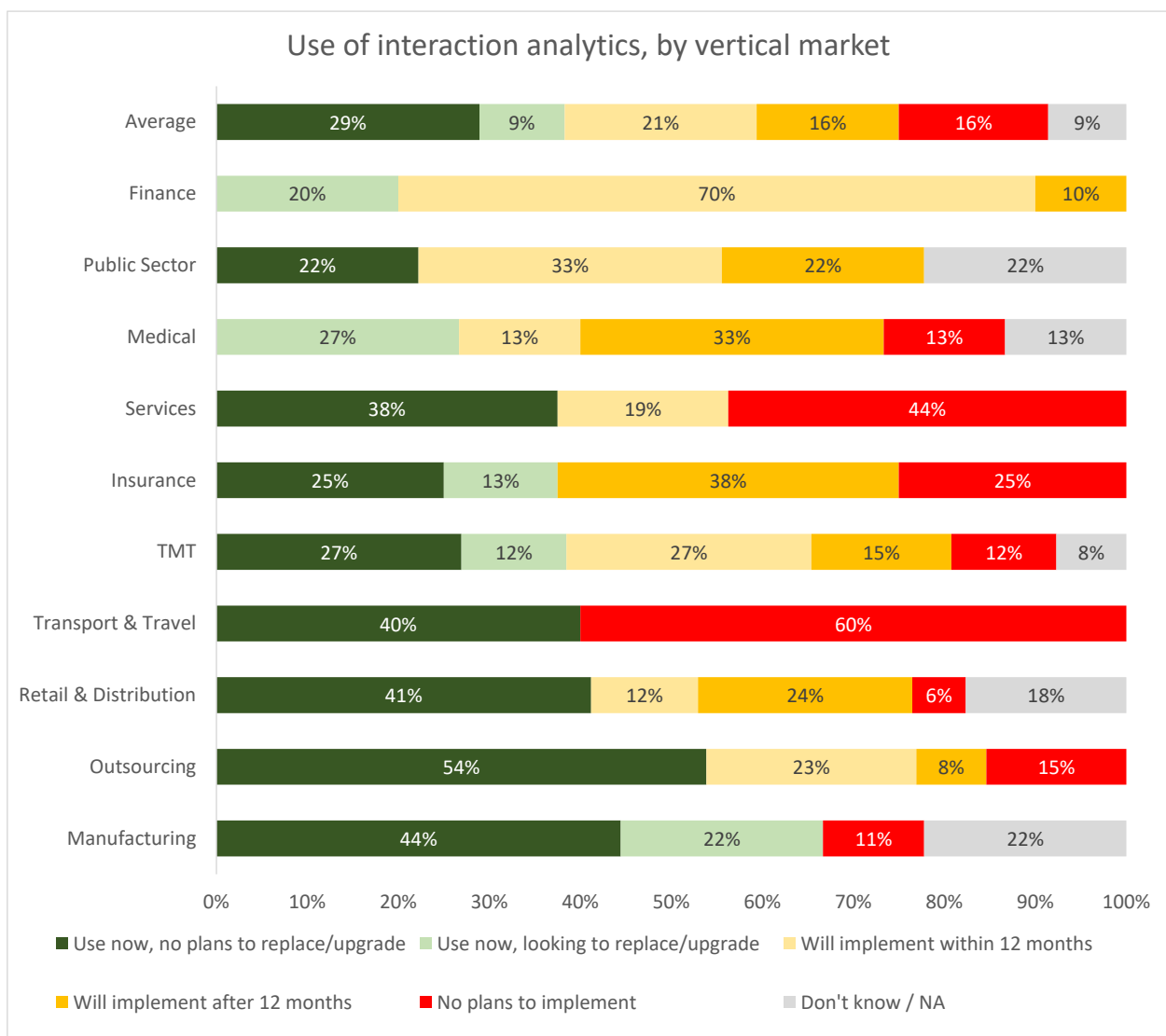


Against a virtual ubiquity of call recording, the penetration rates of interaction analytics are much lower: 38% of this year's respondents use it now, with a further 37% stating that they have plans for implementation.

Respondents from the manufacturing, retail and outsourcing sectors report the greatest use of analytics this year, with those in the finance and public sectors least likely to be doing so.

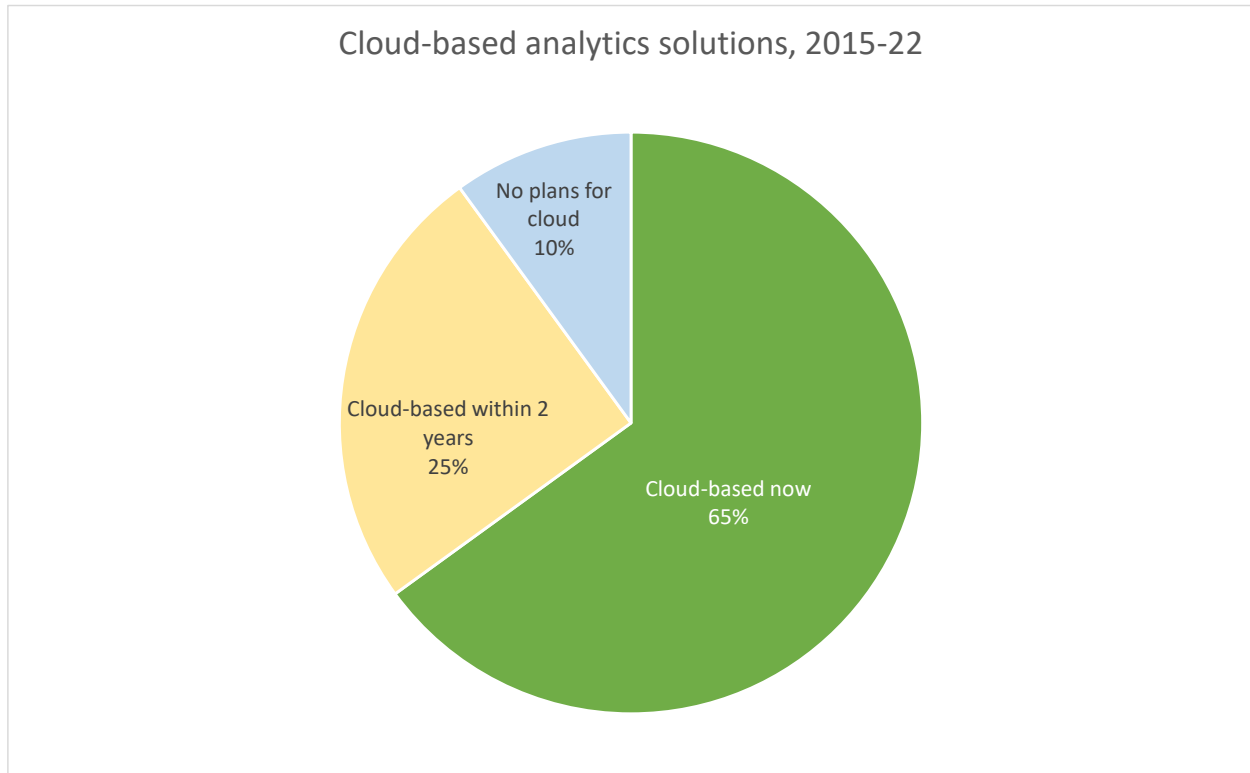
It is probable that the use of interaction analytics is driven more by contact center size in call volumes than through the requirements of specific types of business.

Figure 15: Use of interaction analytics, by vertical market



US respondents seem to be very open to the cloud-based deployment model, with only 10% believing that their analytics solutions won't be cloud-based by the end of 2024.

Figure 16: Cloud-based analytics solutions, 2015-22



As we might expect, the use of post-call speech analytics – the bulk analysis of call recordings – is the most widely used type of interaction analytics functionality. 27% of analytics users have also implemented functionality which can analyze the agent desktop activity which is linked to these calls.

Real-time (or near real-time, i.e. within the call) speech analytics is used by only 12% of this year's interaction analytics users. 33% of respondents state that they use multichannel analytics.

The rise in non-voice interaction volumes has meant that there is an increased requirement to understand and analyze the customer journey, and there is strong interest being shown in optimizing the back office and its processes.

Figure 17: Use of various interaction analytics functionality (from only those respondents who use analytics)

Interaction analytics type	% respondents using this functionality
Post-call speech analytics	67%
Back office analytics	48%
Multichannel analytics (i.e. email, web chat, social media, etc.)	33%
Customer journey analytics	33%
Desktop analytics	27%
Real-time speech analytics	12%

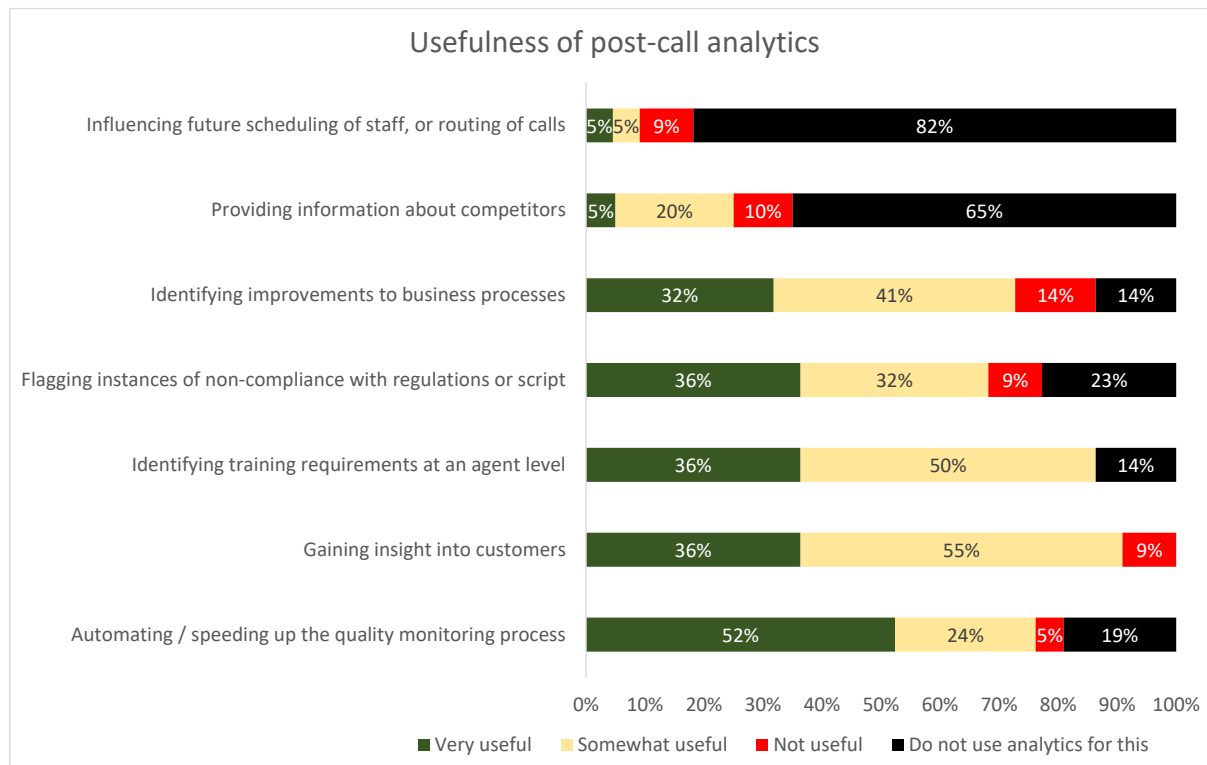
POST-CALL ANALYTICS

Initial implementations of speech analytics solutions were focused upon analyzing large numbers of recorded calls, often a long time after the actual event. Many of the original users purchased these solutions to assist with compliance and as part of a larger quality assurance system, and these benefits have not decreased over time. Being able to analyze 100% of calls automatically can provide high quality information for the QA process, giving a fair and accurate reflection of the agent's performance.

Post-call speech analytics is vital for business intelligence, performance improvement, QA and compliance. As the majority of contact centers have call recording in place, the raw material is already available. In fact, the amount of recorded voice data available to most businesses can be overwhelming, and post-call speech analytics that analyze 100% of recorded calls is proving hugely valuable.

It should be noted that some recording environments are still mono rather than stereo, meaning that there is no distinction between the caller and the agent except through context. This is a clear disadvantage for effective post-call speech analytics, as in order to learn from customer feedback and experience, clearly a business needs to know whether it is the customer talking about products, processes or competitors, rather than the agent. More recording systems are moving to stereo, and this will further improve the accuracy and potential benefit of speech analytics, and some vendors have restructured their solution to offer software-based speaker separation for analytics.

Figure 18: Usefulness of post-call analytics



Survey respondents are very enthusiastic users of analytics in order to gain insights into customers, and the use of the application for this purpose has grown greatly in recent years.

Analytics is also seen as being valuable for flagging instances of non-compliance with regulations or script, with 48% of respondents that use analytics for this purpose reporting that it is very useful.

The automated quantification of an individual agent's performance and capabilities, feeding into the training and skills upgrades required should be one of the most important outputs for interaction analytics, although somewhat less than half of respondents using analytics for this purpose state that it is very useful. A higher proportion indicate that analytics is very useful for speeding up the overall quality monitoring process as well through automation.

37% of respondents who use analytics for this purpose state that it is very useful in identifying improvements to business processes. Optimizing processes and gaining actionable insight that can be applied to the customer journey will become one of the most important uses of analytics, as users' sophistication increases and solutions' capabilities are explored more fully.

There is little enthusiasm around the use of analytics for providing information about their competitors, with more than half not using it for this purpose at all. This is a very underused area of analytical usage at the moment, and one which we would expect to see growing significantly in future years.

A growing proportion of respondents report that analytics helps influence scheduling or routing strategies, and as more tightly integrated WFO suites are used we would expect this to continue to change for the better.

The previous chart does not provide an exhaustive list of the purposes of interaction analytics: specific business requirements and original considerations about customer contact can provide numerous ways in which greater insight can be extracted from the mass of interactions stored, for example, understanding fully why customers have called, rather than relying on agent call disposition codes.

REAL-TIME ANALYTICS

Real-time speech analytics looks for and recognizes predefined words, phrases and sometimes context within a handful of seconds, giving the business the opportunity to act. Solutions supported by AI can be trained to understand intent and recognize patterns through immersion in vast quantities of historical data, so that when a call is taking place, it can draw upon this knowledge and provide advice or action that has proven successful previously, advising and acting in real-time.

AI assists in real-time speech analytics through applying the results of machine learning that have been carried out on large quantities of previously recorded conversations, providing:

- agents with the understanding of where their conversational behavior is falling outside of acceptable and previously successful norms (such as speaking too quickly or slowly, or in a monotonous fashion)
- an assessment of the meaning of non-verbal cues such as intonation, stress patterns, pauses, fluctuations in volume, pitch, timing and tone in order to support sentiment analysis
- understanding the actions and information that have been seen to provide successful outcomes in previous similar interactions, and relaying this to the agent within the call.

For some businesses, real-time analysis is an important and growing part of the armory that they have to improve their efficiency and effectiveness, benefiting from understanding what is happening on the call, and in being able to act while improvements are still possible, rather than being made aware some time after the call of what has happened.

Real-time analysis can be used in many ways:

- monitoring calls for key words and phrases, which can either be acted upon within the conversation, or passed to another department (e.g. Marketing, if the customer indicates something relevant to other products or services sold by the company)
- alerting the agent or supervisor if pre-specified words or phrases occur
- offering guidance to the agent on the next best action for them to take, bringing in CRM data and knowledge bases to suggest answers to the question being asked, or advice on whether to change the tone or speed of the conversation
- escalating calls to a supervisor as appropriate
- detecting negative sentiment through instances of talk-over, negative language, obscenities, increased speaking volume etc., that can be escalated to a supervisor (this is considered more fully in the next section of the report)
- triggering back-office processes and opening agent desktop screens depending on call events. For example, the statement of a product name or serial number within the conversation can open an agent assistant screen that is relevant to that product

- making sure that all required words and phrases have been used, e.g. in the case of compliance or forming a phone-based contract
- suggesting cross-selling or upselling opportunities.

Many solution providers have worked hard to bring to market new or improved solutions to assist with real-time monitoring and alerts, and recognition of key words, phrases, instances of talk-over, emotion and sentiment detection, pitch, tone, speed and audibility of language and many other important variables can be presented on the agent desktop within the call, triggering business-driven alerts and processes if required. Speaker separation and redacted audio output (e.g. stopping sensitive data being included in text transcriptions) further add to real-time analytics' capabilities.

Agent assistance tools are powered by speech and text analytics, eliminating time-consuming manual tasks with automatic notes and data entry, and monitoring and alerting agents with suggested corrective actions. However, agents can only experience all these advantages when the tool is designed to extend agent knowledge rather than overload them with information. The intention is to give the only information that matters the most to the conversation, with an intelligent shortcut to provide agents with contextual recommendations and snippets of knowledge base articles.

The speed of real-time analysis is crucial to its success: long delays can mean missed, inappropriate or sub-optimal sales opportunities being presented; cancellation alerts can show up too late; compliance violations over parts of the script missed-out may occur as the call has already ended. However, it is important not to get carried away with real-time analysis, as there is a danger that businesses can get too enthusiastic and set alert thresholds far too low. This can result in agents being constantly bombarded with cross-selling and upselling offers and/or warnings about customer sentiment or their own communication style, so that it becomes a distraction rather than a help.

To alleviate this, businesses can run a clearly focused use case where ideas are tested with a control group and these ideas improved to ensure the agent is assisted and not overloaded. Pop-up notifications can be offered (where the agent can click a link if they want the information or ignore it if they don't) along with a list of links that the real-time engine has identified from which the relevant one can be picked. This leaves the agent in control but provides fast access to the information required.

There is also the issue of agent training: since contact centers will have agents performing at various levels of competency, it's important that the speech analytics platform is customizable. Using on-screen prompts or emotional alerts that trigger live coaching will depend on factors like agent skill, industry, budget, and technology stack, and as training consumes resources, analytics could be used to grade agents and plan for the level of real-time monitoring based on data uncovered. For example, analytics can show which agents are having trouble closing sales or managing call lengths, and these agents can be gradually trained to improve using live coaching or on-screen prompts.

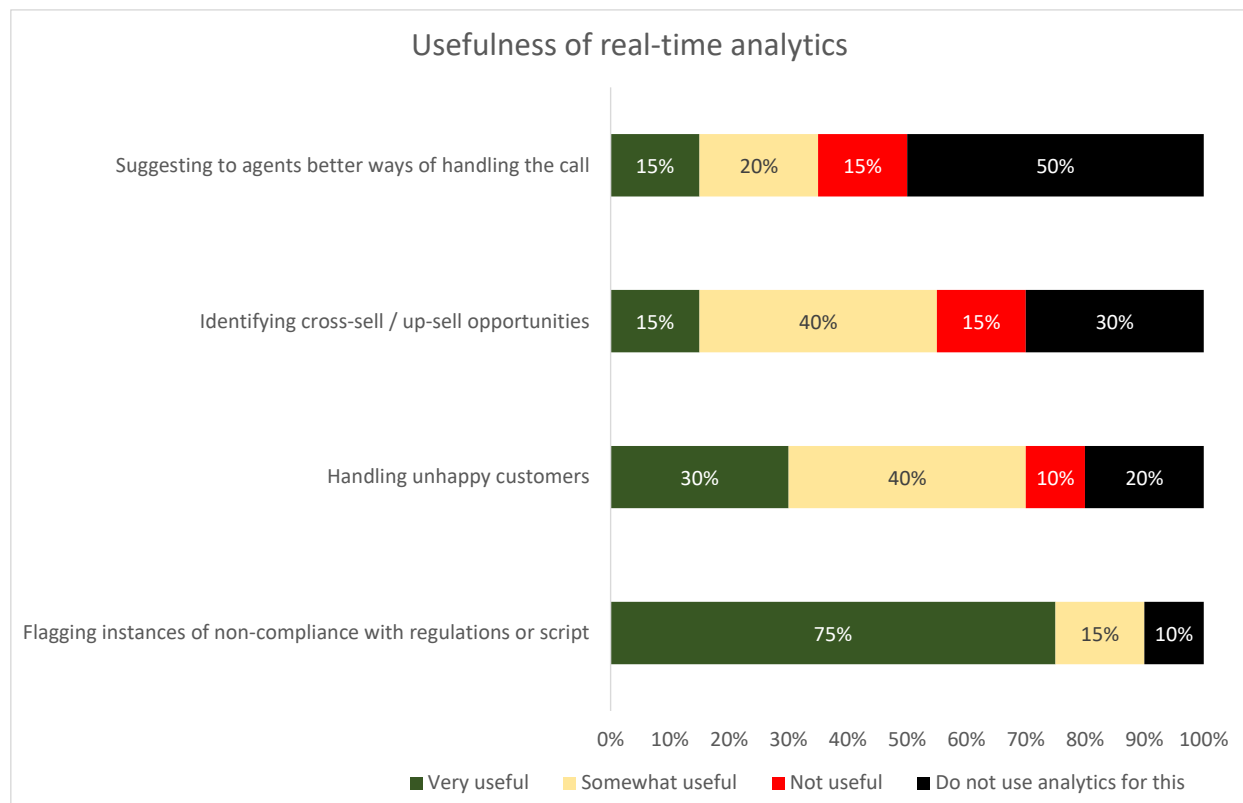
The effectiveness of real-time analysis may be boosted by post-call analytics taking place as well. For example, by assessing the outcomes of calls where specific cross-selling and upselling approaches were identified and presented to agents in real time, analysis can show the most successful approaches including the use of specific language, customer type, the order of presented offers and many other variables (including metadata from agent desktop applications) in order to fine-tune the approach in the future. Additionally, getting calls right first-time obviously impacts positively upon first-contact resolution rates, and through picking up phrases such as "speak to your supervisor", can escalate calls automatically or flag them for further QA.

Real-time analysis is a big step up from the traditional, manual call monitoring process, and is particularly useful for compliance, debt collection, and for forming legally-binding contracts on the phone where specific terms and phrases must be used and any deviation or absence can be immediately flagged to the agent. Finance, telecoms and utilities companies – and indeed, any business where telephone-based contracts are important – are particularly interested in this.

Respondents using real-time analytics report that it is particularly valuable for flagging non-compliance with scripts or regulations in real-time, and also in identifying and handling dissatisfied customers more effectively.

Real-time analytics' ability to identify cross-selling and upselling opportunities is less highly rated, with only 21% of respondents that use analytics for this purpose state that it is very useful. Few analytics users report that they use it to suggest better ways to the agent of handling the call.

Figure 19: Usefulness of real-time analytics



THE FUTURE OF ANALYTICS

Although analytics has become mainstream, especially in large-scale contact center operations, the ability to gain actionable insight from multiple streams of data connected with the customer and the organization still has a very long way to go. Improvements in integrating data sources, as well as the application of artificial intelligence and machine learning mean that interaction analytics can be thought of as still being in its relative infancy. While speech recognition accuracy will certainly improve, and the user interface become simpler to use (allowing business users to gain greater benefit), the improvements in functionality will not stop there.

Predictive Analytics and Artificial Intelligence (AI)

Predictive analytics is a branch of analysis that looks at the nature and characteristics of past interactions, either with a specific customer or more widely, in order to identify indicators about the nature of a current interaction so as to make recommendations in real-time about how to handle the customer.

For example, a business can retrospectively analyze interactions in order to identify where customers have defected from the company or not renewed their contract. Typical indicators may include use of the words “unhappy” or “dissatisfied”; customers may have a larger-than-usual volume of calls into the contact center; use multiple channels in a very short space of time (if they grow impatient with one channel, customers may use another); and mention competitors’ names. After analyzing all calls, and applying this finding to the customer base, a “propensity to defect” score may be placed against each customer which identifies those most at risk. Specific routing and scripting strategies may be put in place so that when the customer next calls, the chances of a high-quality customer experience using a top agent are greater, and effective retention strategies are suggested by the AI and applied by the agent.

AI can be applied across the entire customer journey, including sales, marketing and service, helping organizations understand customer behavior, intent and anticipating their next action. For example, an AI solution may find a pattern amongst previous customers that they are likely to search for specific information at a particular point in their presales journey, and proactively provide this information (or an incentive) to the customer before they have even asked for it. AI can also help with customer onboarding through predicting which customers are likely to require specific assistance.

AI does not require structured data in order to make sense of work, and can also self-learn, improving its performance over time. The capabilities of AI allow solutions to read unstructured information, such as email, understand the sense of what is being said, and route the work appropriately. As the AI has access to the entire customer contact solution, it is capable of noticing in real-time whether other customers have the same issues, which is something that even the best contact center agent is unable to determine.

From a self-service perspective, AI avatars/chatbots/virtual agents can attempt to answer customer questions, escalating to a live agent if the required confidence levels are not met. It can then learn from the human agent's response, making it more likely that it will be able to provide the right answer next time.

AI can also act as support to an agent while on a call, providing them with relevant information about the customer and their case, and advising them upon different routes the conversation can take. Although there is some discussion about AI identifying and acting upon emotional prompts from the customer, the reality is that agents will still be required to handle complex and high-emotion interactions.

Using AI for analytics will allow the business to provide customers with service before they even require it. The AI will be able to predict what the customer is likely to meet next, based upon analysis of other customers with similar circumstances in the past. This move to proactive customer service is a step further than what is currently widely-used – automated emails or SMS providing an update about delivery times, for example – anticipating sources of frustration or the need for assistance before the customer has even realized it, on a personalized basis. Machine learning – which will be able to identify patterns within data automatically, without requiring an analyst to direct it – will give analytics even greater scope and power.

Holistic Analytics

The Internet of Things (IoT) could give businesses enormous amounts of data from customer devices, from which only automated analytics would be able to draw insight. Online devices that report faults or events that would require action from a company could be linked with business systems (e.g. finance, distribution, sales, etc.) in order to identify and rectify problems without the customer even having to become directly involved themselves. Analysis of the customer's history and any issues relevant to the product or service mean that proactive service could be provided based upon knowledge of the most effective resolutions that had occurred in similar cases in the past.

Customer Journey and Omnichannel Analytics

Customer journey analytics and omnichannel analytics are functional areas where we expect strong growth in the near future, as the importance of digital channels continues to increase. The siloed nature of contact center operations is slowly but inexorably breaking down, allowing businesses to take a customer's eye view of the actual experiences that take place. The use of analytics will spread from the voice-centric contact center world into the back office, as well as digital channels. Business processes outside the contact center will be analyzed, especially where they impact directly upon the customer's overall experience, giving companies an opportunity to identify bottlenecks and broken processes that would otherwise be hidden from the contact center itself.

Many solution providers state that they are actively increasing the power and range of the analytics solutions not just within live contact channels such as chat and voice, but also within automated IVR environments as well. This can be used to adapt and personalize the IVR experience in real-time to suit the customer's behavior and preferences, and also to detect and manage fraud.

The Democratization of Analytics

The use of interaction analytics in small operations is currently limited: the solution provides most effective insight when it has vast quantities of data to analyze, and cost pressures on smaller operations are generally more severe. Some solution providers are tailoring their offerings to provide entry-level analytics functionality, particularly around the areas of QA, with the longer term view of developing these businesses' use of analytics to address business intelligence as well.

Future customer interaction analytics applications promise the opportunity to discover deeper actionable insights, as better accuracy and more powerful processing provides richer and more joined-up data for analysis, and the inclusion of non-voice channels show the full picture of customer contact and its intent. There will also be major efforts to link analytics to proving profitability, including identifying "moments of truth" (points at which buying decisions are made, and long-term loyalty can be won or lost), and being able to predict and manage customer churn.

We would expect AI to bring a greater sophistication and depth of functionality to predictive analytics, which will lead to a growth in proactive automated service – helping the customer before they even realize they need help – which will lead to increased customer experience and significant levels of contact avoidance and cost reduction.

In summary, customer interaction analytics is really still in its infancy, not just in terms of overall technology penetration rates, but that the sophistication, functionality and level of insight that it currently offers to the business as a whole will continue to grow strongly. There is little doubt that analytics offers the key to unlocking actionable insight, and it will certainly become an even greater area of interest for any organization keen to give itself a competitive advantage by learning more about itself, its customers and its employees.

PERFORMANCE MANAGEMENT

Historically, the success or otherwise of contact center performance was measured in terms of efficiency: call throughput, average handle time, calls per hour, etc. In recent years, the focus upon customer satisfaction has grown to such an extent that it is now seen industry-wide as being a key indicator of success, being consistently voted more important than increasing revenues, decreasing costs or hitting target metrics.

Of course, customer satisfaction is also closely linked to efficiency: part of the customer experience is the amount of time spent in the queue, and whether or not the agent can then help them quickly and decisively. As such, internal contact center metrics directly correlate to external customer satisfaction, which also is influenced by the customer's experience of any telephony or web-based self-service, other pre-call activity such as customer authentication, and any supporting activity carried out elsewhere in the organization.

The contact center industry has to find a balance between increasing the efficiency of its processes – which in the 'production line' mentality tends to mean following specific processes without deviation – and the need to understand the individual requirements of each customer and keep agents engaged so as to deliver appropriate service. As such, the measurement and improvement of performance is not straightforward: in fact, even deciding what 'good performance' actually means is a subjective matter and aligned to the strategic requirements of the business.

Performance management solutions are part of the wider WFO suite, and aim to monitor all interactions and report on the success or otherwise of the operations measured against agreed key performance indicators (KPIs). The output includes supervisor and manager dashboards, wallboards and reporting. Performance management's findings can be used for employee rewards and incentives, whether expectations have been met and can also feed up-to-date information into workforce management's forecasting and scheduling processes to improve accuracy.

As well as being a tool for measuring the success of the overall operation, performance management can also be seen as a workforce engagement management (WEM) tool, looking at the individual's role and identifying strengths and areas for improvement which can feed the eLearning / coaching application as well as gamification to motivate and inspire agents to perform better.

WHAT IS 'PERFORMANCE'?

Depending on the type of work that they do, contact centers may consider focusing upon various measurements:

Internal metrics

Call duration / Average Handle Time: A typical 'old-fashioned' metric, which is generally going out of favor due to the acceptance that each call is different and should take as long as is needed. However, it is one of the easiest statistics to measure, and useful to use to work out cost per call.

Agent occupancy rate: The agent occupancy rate is calculated as the proportion of time in a given period that is call-time plus wrap-up, (that is, the proportion of time that each agent spends on dealing with the call itself and the actions deriving from it). A laborious wrap-up time caused by slow back-office systems or lack of familiarity from the agent's perspective can go some way to producing high occupancy rates, which looks as though the agent is constantly active, but which is actually negative for both business and customer.

Call throughput and abandonment rates: Understanding the types of call being received as well as tracking the number that are dropped can be translated into lost revenue within a sales environment, making a pitch for greater investment easier. With the use of callback, calls that would otherwise be abandoned can be kept alive, although at the cost of an additional outbound call.

Revenue per call / promise to pay: As many contact centers are now profit centers, understanding the effectiveness of the sales or debt collection efforts is vital to judging the success of the contact center itself.

Call transfer rate: This metric can indicate training needs at the individual agent level, a failure in the initial IVR routing or a need to update FAQs or other information on a website (for example, a spike in this metric might be driven by a recent marketing campaign which has confused some customers, creating a high level of calls about the same issue). Tracking and analysis of call recordings in cases of high transfers should identify the issue.

Schedule adherence: Schedule adherence is a metric that looks to help with the fine-tuning of a contact center's labor force, so that calls are answered swiftly, but that agents are not sitting idly waiting for calls. It is a metric that is of more importance to schedulers than to customers, although the impact of getting schedules wrong can be catastrophic for efficiency, cost and performance. The importance of adherence to schedule was surprisingly stated by survey respondents to be more important than key customer-facing metrics such as first contact resolution.

Staff attrition rates: A well-publicized cost that senior management are very aware of, high levels of staff attrition are poisonous to the effective running of the majority of contact centers, causing excessive recruitment and training costs, lower average call handling quality and longer queue times due to inexperienced staff, as well as the vicious circle of lower staff morale.

Average speed to answer / longest call waiting etc.: This metric has a strong and demonstrable effect on customer satisfaction or frustration, as well as impacting on call abandonment, lost revenues and high staff attrition rates caused by excessive pressure. Average speed to answer is a metric which is easily measured, and forms a vital view of the contact center's staffing levels as well as impacting directly upon the customer experience. As such, it is similar in nature to the call abandonment rate. Contact centers should of course consider the amount of time that a customer spends in the IVR segment of the call when considering the 'speed to answer' metric: the customers themselves surely do so.

Cost per call: Although this is an attractive and easily understood metric for senior management to view, there is a real danger that calls are closed too quickly and revenue and loyalty-building opportunities are lost. If a contact center has many short calls (which may be better off being dealt with by self-service), this will produce a lower cost-per-call figure, which makes it look as though the contact center is doing well, when the opposite may be the case. The same logic applies to first-call resolution rates.

Cost per call is a very complicated metric that is difficult to get correct. However, senior non-contact center management understand how cost figures impact the business more than occupancy or call abandonment rates, although these have an impact on all parts of the business. At the most basic level, cost per call can be calculated by dividing the overall spent budget of the contact center by the number of calls, although this does not take into account abandoned calls or situations where the customer has had to call multiple times to get a resolution (a situation which in fact brings cost per call down, although being negative to both business and customer). Neither does it take into account the effect of failure demand: instances where the contact center cleans up after processes elsewhere in the business go wrong, leaving the contact center to sort them out. As such, it should be viewed with caution.

Agent quality scores: based on the QA process, this metric looks at how effective and efficient an agent has been in handling interactions.

Customer metrics

Customer satisfaction ratings: Customer satisfaction is seen to be directly linked to profitability through increased loyalty, share of wallet and customer advocacy. There is considerable debate about how satisfied (or delighted) customers have to be before it starts making a noticeable difference to the bottom-line (i.e. how happy does a customer have to be before they accept premium pricing strategies, and how unhappy do they have to be before they go elsewhere?). There's no easy answer, but high customer satisfaction ratings - at a reasonable cost for the business - are surely good for everyone.

Customer Effort Score: Customer effort scores look to understand the ease or otherwise with which the customer has interacted with the company on a particular occasion. Often, there will be a five-point scale running from "very easy" to "very difficult", which can be converted into a quantitative metric. Various methods of calculating customer effort scores and pitfalls to avoid can be found within this referenced article.¹

Net Promoter Score® (NPS): NPS is an index ranging from -100 to 100 that measures how likely customers are to recommend a company's products or services to others. The question asked to customers is: "On a scale of 0 to 10, how likely are you to recommend this company's product or service to a friend or a colleague?" Based on their rating, customers can then be grouped into 3 categories: detractors, passives and promoters. 'Detractors' score lower than or equal to 6, 'Passives' score 7 or 8 and 'Promoters' answered 9 or 10. NPS is then determined by subtracting the percentage of customers who are detractors from the percentage who are promoters.

Customer loyalty / lifetime value / churn rates: A central thought of CRM is that a business should focus upon keeping profitable customers, and growing unprofitable ones. A single figure for customer retention is not effective, as it does not include the types of customer churn, or the undesirability (or otherwise of losing such customers).

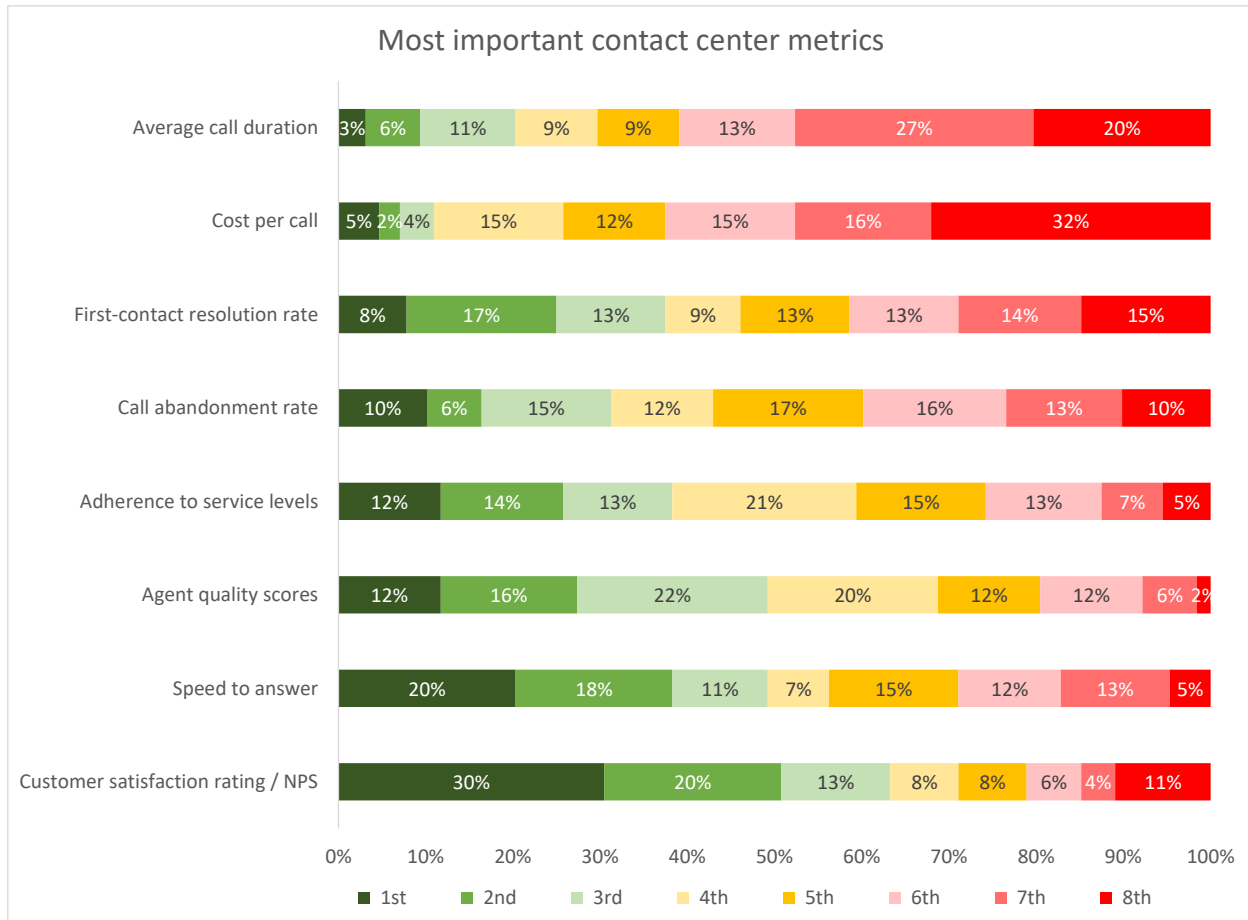
First-contact resolution: Improving first-call/contact resolution (FCR) benefits customers (who are more happy / loyal / profitable / etc.); agents (higher morale; fewer frustrating calls); and business (lower cost of repeated calls; higher profitability); everyone wins. This can be hard to measure, as it is the customer, and not the contact center that should be stating whether the issue has been resolved successfully.

["The Inner Circle Guide to First-Contact Resolution"](#) looks in depth at issues surrounding this key metric.

¹ <https://www.callcentrehelper.com/how-to-calculate-customer-effort-94671.htm>

Over the years, the importance of contact center metrics has changed considerably. 10 years ago, average call duration and cost per call were considered to be key, but respondents to recent reports consider them of lesser importance than more customer-focused measurements.

Figure 20: Most important contact center metrics



30% of respondents chose customer satisfaction rating / NPS as being the most important measurement that a contact center tracks. Customer satisfaction is in large part driven by the other metrics shown here, and can be seen as a consequence of how these other elements perform.

In past surveys, first-contact resolution has been extremely important, with speed to answer often also chosen as a top 3 metric by more than half of respondents: both of these metrics are of huge importance to customer satisfaction (or the lack of it), and handling more calls effectively first-time is key to improving customer satisfaction and reducing repeat calls, which will impact positively upon queue lengths.

Agent quality scores are of course important to the customer, as the quality of interaction is a vital part of customer satisfaction. However, most agent quality scores are marked against scorecards that are created inside the organization, which are not always closely aligned with what the customer wants from an interaction.

Similarly, adherence to service levels and schedule is important to the smooth running of the contact center, without which high-quality customer experience cannot exist, yet from the customer's perspective, the effectiveness of the interaction is driven by its result, rather than on whether the agent is meeting internally set metrics.

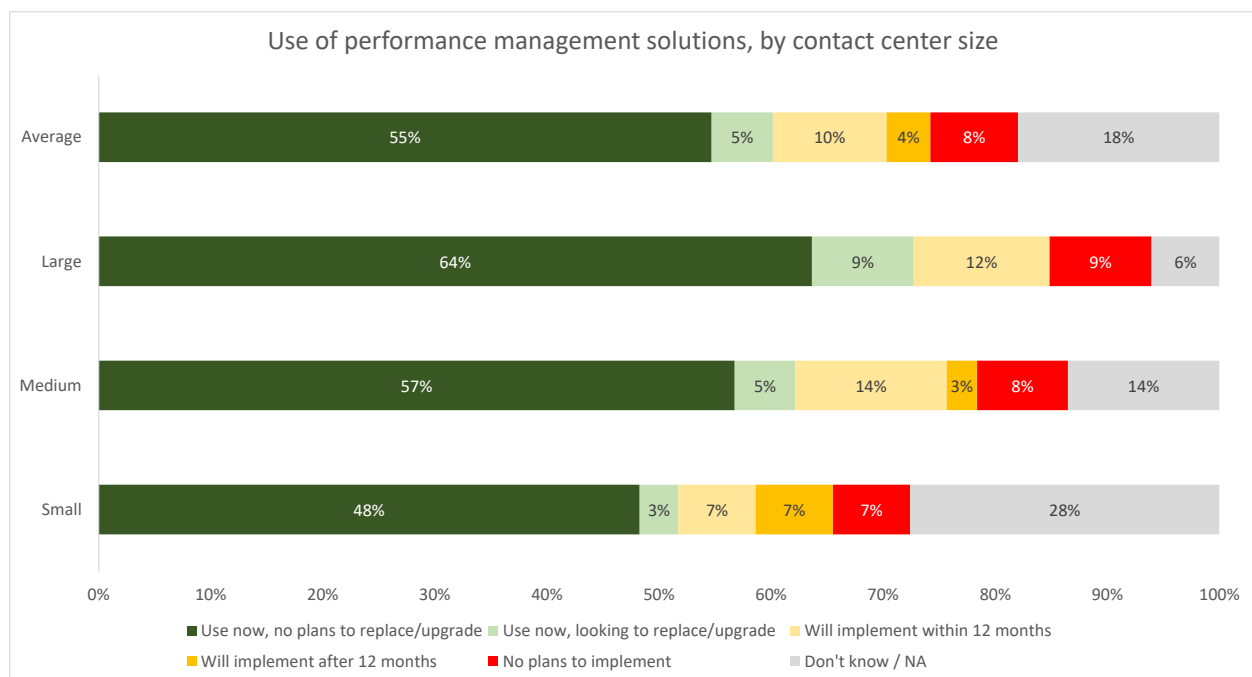
USE OF PERFORMANCE MANAGEMENT SOLUTIONS

The success or otherwise of contact centers has traditionally been measured by observation of key metrics, usually related to cost and efficiency: average call length, average speed to answer, % of calls answered within a certain time, etc. While these figures are a useful and still widely acknowledged and understood benchmark, times have changed. Most contact centers now try to measure the effectiveness of their operation by tracking metrics such as first-contact resolution and customer satisfaction levels, although there are no standard measures or agreements on what constitutes a satisfied customer or fully resolved call. This does tend to strengthen the hand of those who believe that because the contact center **can** provide detailed data on call volumes and handling times, then that is what it **should** primarily be measured against, and ContactBabel research shows that agents are far more likely to be financially rewarded for meeting required operational metrics rather than customer-focused service metrics.

Performance management solutions are the contact center management's eyes and ears, providing them with the tools and information to judge the effectiveness and efficiency of the operation. The results of its reporting capabilities may be output to wallboards, desktop displays (at management, supervisor and agent levels as appropriate), batch reporting and fed into real-time scheduling and forecasting functionality.

It is noticeable that a considerable proportion of larger contact centers are actively looking to upgrade or replace their current performance management solution, suggesting that in many cases, it is not quite giving management what they need in terms of actionable information.

Figure 21: Use of performance management solutions, by contact center size

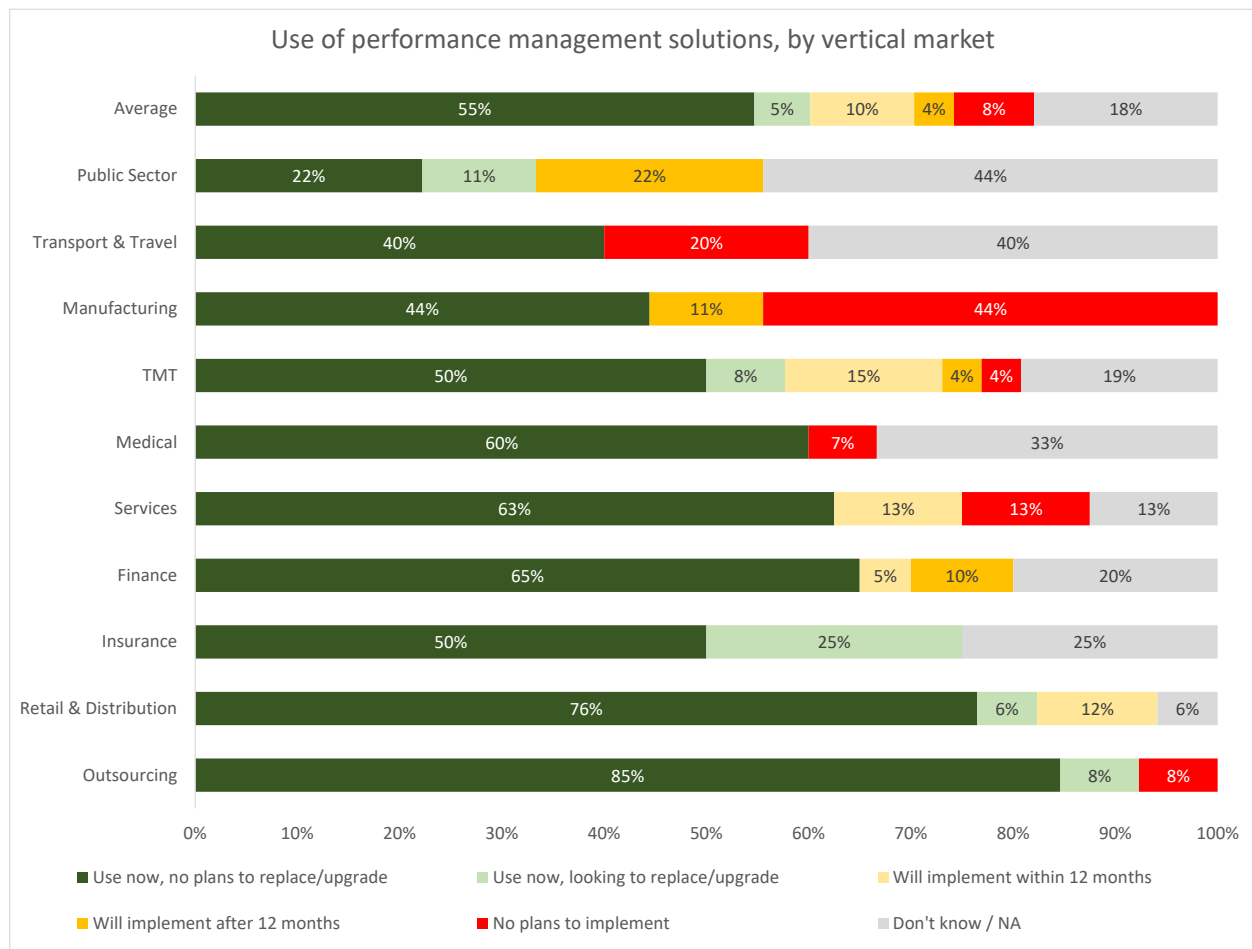


Performance management solutions are present in the majority of all respondents' sectors, with outsourcing, retail and insurance respondents reporting the greatest usage this year.

There is significant interest in replacing or upgrading MIS being shown by several vertical markets, including the insurance and public sector.

While the majority of contact centers in most vertical markets have already implemented MIS, there is interest by retail and TMT respondents for a first implementation within 12 months.

Figure 22: Use of performance management solutions, by vertical market



END-USER QUESTION #3: IT'S LIKELY THAT THERE WILL BE SIGNIFICANT PRESSURE FOR CONTACT CENTERS TO REDUCE THEIR COST OF SERVICE. HOW CAN YOU HELP US WITH THIS?

Answered by Enghouse Interactive

- **Right-Size Staffing:** CxWFM can help minimize overstaffing or understaffing and the possible need to pay overtime.
- **Reduced Administration Overhead:** WFM automates resource scheduling, freeing up highly valuable managers and team leaders to better support agents in delivering an optimum customer experience.
- **Lower Attrition Rates:** Using CxWFM to manage staffing levels and development can give agents a better work-life balance, enhanced skills, and more autonomy, which will lead to lower attrition, recruiting and onboarding costs.
- **Reduced Abandonment Rates:** Prolonged wait times, leading to higher call abandonment rates, produce unhappy customers who may switch to a competitor or share a negative review on social media that is detrimental to your company's revenue and reputation.

GAMIFICATION

The difficulty in keeping agents engaged, understanding and focusing upon the behaviors, actions and characteristics that are most helpful for the contact center and the business, and the limited budget which most contact centers have for incentive programs create a situation whereby an alternative approach may need to be considered.

Gamification is an approach taken to improving agent engagement, aligning behaviors and characteristics with those of the contact center and wider enterprise: at the most basic level, it involves making work tasks into games. The contact center is a particularly rich potential environment for this approach, as it contains many of the factors that can make gamification successful:

- opportunity for achievement, reward and recognition at an individual level
- the possibility of team-based and goal-based quantified success
- a large pool of competitors and team members, that can be segmented appropriately to make competition and teamwork more manageable
- clearly defined tasks and metrics that can enable direct comparison between individuals and teams, over time, with measurable improvements possible.

Many contact center agents work in stressful environments for relatively low pay, doing work which may sometimes be repetitive. Depending on the nature of the calls, they may be dealing mainly with customers who have negative experiences of the company, which is unlikely to make the agent happier about representing the enterprise, especially over time.

The new agent, while often feeling uncertain about their ability to do tasks, is usually willing to learn and is engaged in their work. Assuming that the initial training period is effective, their competence will increase but there is a danger that some will become bored and cynical, which may in the longer term lead to high levels of agent attrition and correspondingly lower levels of operation-wide competence. As such, there is a twofold problem: lack of engagement at agent level leading to lower quality and productivity, and the corresponding costs associated with unnecessary agent attrition.

Gamification looks to meet these twin challenges with two solutions of its own: making work a more fun place to be, while encouraging the behaviors, competencies and characteristics that most closely aligned with the enterprise's own requirements through giving agents real-time feedback about their performance, the opportunities to improve themselves and to be seen positively by peers and managers with the attendant social and material rewards.

Through the process of awarding badges, points and achievement levels, gamification gives agents an opportunity to show their achievements and compete as individuals and part of the team. The goals in mind are set by the business, and these require a great deal of thought, as any agent behaviors and actions must be closely aligned with where the business wants to go. This is an area of particular potential risk for businesses: taking a simple example, rewarding agents based upon average call handling time so as to reduce cost could obviously lead to them dropping difficult calls or not answering customers fully in order to meet these targets. There is also a risk that the novelty of games will wear off, with rewards having to have a higher and higher tangible monetary value in order to keep people's motivation, so ongoing efforts must be made by management to keep games fresh and goals relevant.

It is also important to note that gamification – while providing feedback and rewards to agents on an individual level – should be used as part of a team or community experience, encouraging high performing agents to share their best practice and for all agents to be continually challenged and pushed to learn new skills and improve their own performance.

Contact centers that use gamification frequently report that most agents go beyond the required training schedule, completing extra units and developing skills further in order to accumulate more points and badges. In a heavily-incentivized sales environment, encouraging agents to take time off revenue generating activity to take training can be difficult, and this is a potential solution.

Gamification looks to increase agent engagement through:

- providing immediate feedback to the agent, who does not have to wait until the scheduled supervisory review to see how they are doing
- improving esprit de corps through the pooling of knowledge and collaboration within a group in order to achieve specific goals for which all will be rewarded
- cut down on the amount of time required for new agents to become competent, providing real-time feedback in order to encourage positive behaviors
- reduce the amount of management time required to run incentives programs, and deliver them more fairly and objectively
- focus upon and reward those characteristics and behaviors that are most closely aligned with the contact center's and enterprise's own requirements.

This final point – encouraging agents to do what benefits the business – is a key purpose for gamification. Many organizations are rewarding agents for behaviors which are not closely aligned with where the business needs to go, while ignoring those attitudes and characteristics that would actually support them in their journey, often because these latter are more difficult to measure.

Gamification can help businesses to support their objectives, and to achieve specific results. For example, steps to make gamification assist with achieving a company's business priorities could include:

- clarifying the enterprise's objectives
- identifying contact center metrics that directly impact upon these objectives
- identifying the agent characteristics, behavior and actions that impact these metrics the most
- developing a gamification strategy that can measure and improve these metrics, through motivating the agents to act in ways that support this goal.

For businesses which want to achieve specific results, gamification can assist through:

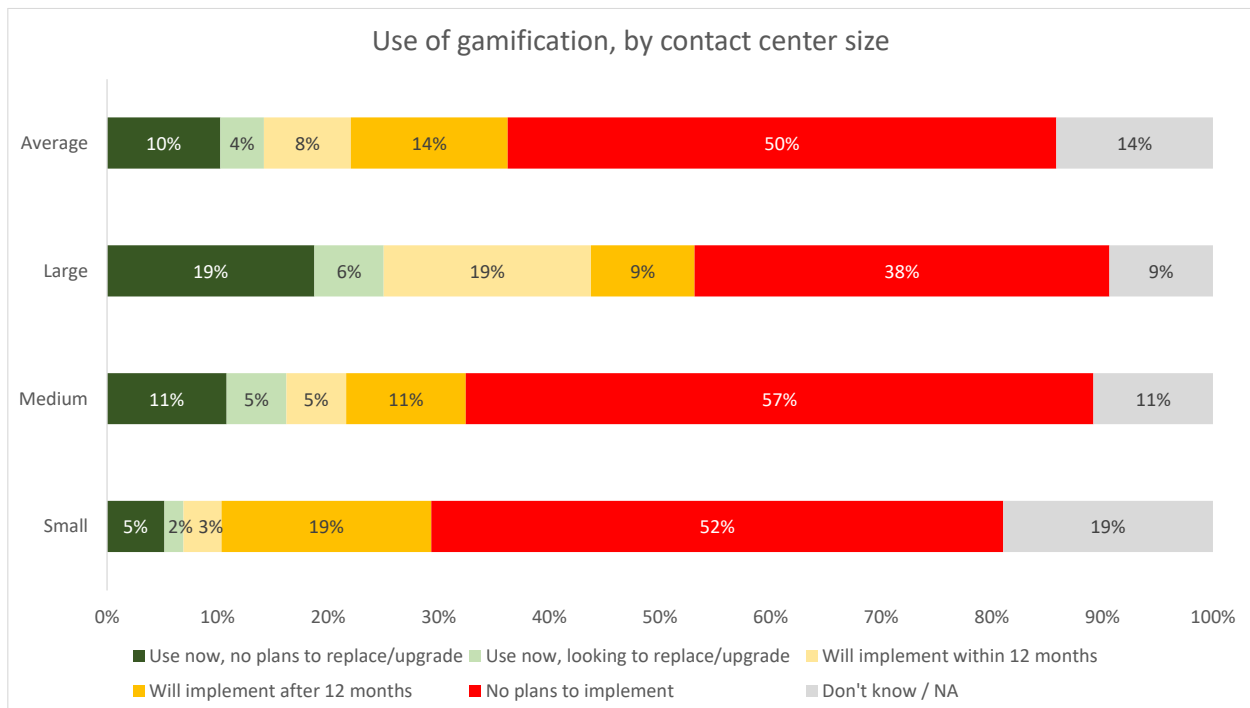
- increasing the skills and competencies of new agents more rapidly, decreasing time to productivity by switching from formal, classroom lecture-based training into structured real-life work tasks
- further developing the skills of agents through encouraging and rewarding the completion of extra training courses and activities beyond what is required
- cutting agent retention through increasing agent engagement, and recognizing and rewarding positive behaviors and characteristics.

CURRENT USE OF GAMIFICATION

Only 14% of respondents currently use gamification within their contact center operations, and a further 8% believe that they will implement this within 12 months.

The use of gamification is much more prevalent in larger operations, but there is some intention to implement it in the short-term in medium as well as large contact centers.

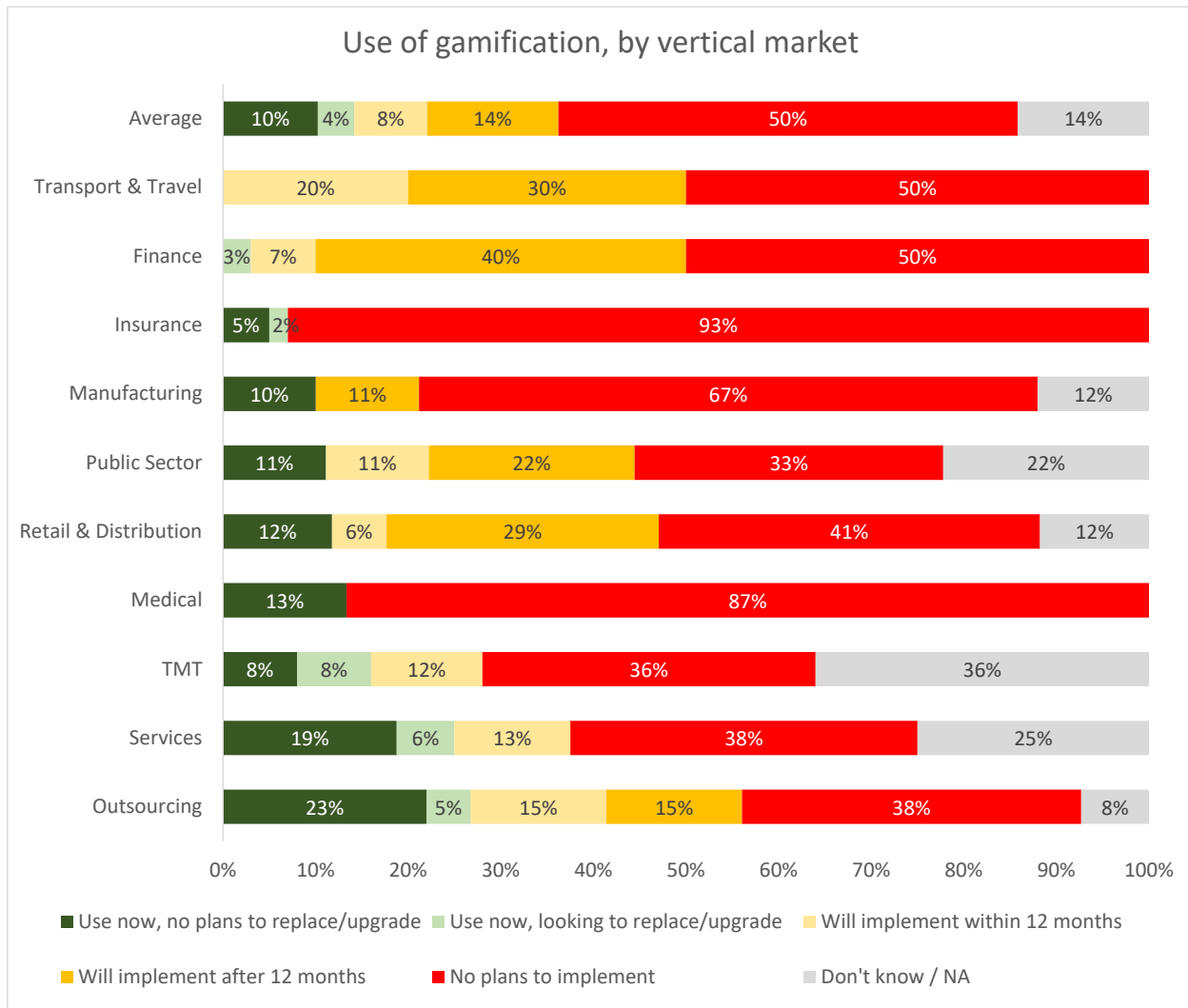
Figure 23: Use of gamification, by contact center size



There is a danger in over-analyzing data where the segments are too small, and this can be the case when considering vertical market implementations of an emerging solution.

However, it is interesting to note that the services, outsourcing and TMT respondents from this year's survey are the highest current users of this solution, and the transport & travel and outsourcing respondents report a strong interest in implementing gamification in the short-term.

Figure 24: Use of gamification, by vertical market



Looking at the activity type of respondents, those with some sales activity – which are already culturally used to the public, competitive practice of sharing sales targets and achievements – are usually more likely to be using gamification.

More information on strategies and methods to promote agent engagement and empowerment can be found in “The Inner Circle Guide to Agent Engagement & Empowerment”, available free from [here](#).

VOICE OF THE CUSTOMER

Voice of the Customer (VoC) programs strive to capture customer feedback across multiple channels of engagement (IVR, live agent, email, etc.), while enabling closed-loop strategies to support customer retention, employee development and omnichannel experience optimization. VoC programs typically trigger alerts with role-based delivery via the use of text and speech analytics, offer statistical modelling services to pinpoint root causes, and digitally track progress and results with case management.

The definition of what a VoC program includes runs the gamut across vendors from simply sending alerts based on key words derived from a survey, to more complete solutions that directly contribute to contact center optimization and overall CX improvement. Examples of more complete VoC program features include:

Closed Loop

- **Automated Alerts:** as surveys are completed, real-time alerting capabilities will immediately identify and inform teams of customers in need, while assigning ownership for follow-up
- **Callback Manager:** an interactive system that enables callback teams to conduct detailed case reviews and disposition follow-up activities for eventual root-cause analysis
- **Case Management:** root-cause exploration tools enable back-end analysis of the customer's initial concern, enabling operational support teams to proactively uncover, track and mitigate systemic problems.

Coaching

- **In-The-Moment Coaching Tools:** as surveys are completed, real-time alerting capabilities will identify when a frontline employee is in need of immediate coaching intervention
- **Performance Ranker:** the performance ranker helps managers develop weekly and monthly coaching plans by outlining strengths and weaknesses for each employee, while identifying opportunities for peer-based knowledge sharing
- **Behavior Playbooks:** playbooks with scorecards help managers coach to specific behaviors by outlining how to best demonstrate each behavior, showcasing best-practice examples and suggesting sample role-plays.

Reporting

- **Real-time Insight** – text analytics zeros in on key issues from multichannel survey feedback
- **Role-based Reporting** – define type and frequency of report delivery based on responsibility, title, geography and more
- **Call Recording** – drill-down detail can include IVR and live agent call recording for additional insight.

VoC programs are frequently ongoing engagements with results measured by internal CSAT scores, NPS benchmarks and efficiency improvements.

VoC surveys discover what the company is doing wrong (and right), where improvements can take place, how the company is perceived against its competition and how it can improve. It is important to view the survey from the customers' perspective, rather than checking boxes that just relate to internal company metrics, which is self-serving. Surveys should also be ongoing, to check whether real improvements are being made after the issues have been identified.

Customer surveys have been an integral part of most businesses for many years, often based around large-scale analysis of call recordings, but the more traditional, direct methods of understanding customer experience and requirements are still very much present.

The numerous methods of directly surveying customers include the following:

IVR: at the end of the call, and after agreeing to do so, the customer may be passed through to an automated IVR system, which typically asks a mixture of open and closed questions which can be answered with a combination of touchtone and speech. This has the benefit of immediacy, in that the caller will be able to give an accurate assessment of the call and the agent, and also the business may be alerted in near-real-time to any major problems through pre-programmed automated SMS or email alerts.

The speed and ease with which an agent-invited IVR survey can be implemented gives it a distinct advantage over a survey conducted via outbound calls. The resources and staff time required to make outbound calls often mean that they are conducted erratically and rarely during peak times which undermines the quality and usefulness of the data collated. As agent-invited IVR surveys are automated, they require little staff input and can monitor customer satisfaction whenever the contact center is open.

Outbound automated surveys are becoming more prevalent, with more than 10m outbound IVR survey calls estimated to be made each year in the UK. After the call has been concluded, the caller's number may be put into an outbound dialer's queue, which calls them and offers an IVR survey. The speed with which this call-back is made is crucial to the take-up rate of the survey, with up to 70% acceptance rate if the call-back is in minutes, but perhaps only 10% if the call is made over 48 hours later.

Written: some businesses ensure that a system-generated letter is posted to the customer soon after an interaction takes place, requesting feedback. Typically, more customers who have had a poor experience will bother to return the questionnaire, skewing the figures, and although some good and detailed learning points can emerge, it's an expensive way to survey customers, and perhaps only appropriate if the customer has engaged very deeply with the business on a number of recent occasions (e.g. completing a mortgage application) or with a demographic that has more time available to them, especially older people.

There can be a lack of immediacy, and many people might feel that sending out a written questionnaire to ask about how well a single call was handled is overkill.

A more popular written alternative is to send an email to the customer, which allows immediacy and offers a customer a chance to express themselves more fully, rather than simply with numerical scores. This method also has the advantage that it can be fully automated.

Detailed person-to-person interviews have an important role to play, particularly where the feedback generated can be compared side-to-side with feedback by other methods. Having quantitative and qualitative data provides valuable feedback that can't be achieved by adopting a single surveying method.

Web forms are becoming increasingly widely-used as an increasing number of customers visit a website initially to see if they can find the information or resolve the issue themselves. Online survey invitations that pop up within a couple of seconds of entering a website are widely used, although many customers find them intrusive as they have not yet found the information that they require. Using a little more intelligence around when to offer the survey to the customer provides far higher take-up rates and more accurate, informed feedback.

Outbound: frequently, the contact details of a proportion of incoming callers will be passed to a dedicated outbound team, who will call the customer back, often within 24 hours, to ascertain the customer's level of satisfaction with the original call. Sometimes customers will find this intrusive, while others will welcome the chance to provide feedback. Additionally, certain companies employ outside agencies to survey customers regularly, which may be useful in benchmarking exercises, since they will apply a more formalized and structured approach to data gathering and presentation. The automated option as mentioned in the IVR section above should also be considered as an option.

SMS: Text messaging has the advantage of immediacy of sending and also of reporting on the results. It is a cheap way of carrying out surveys, and can be linked to a specific agent, allowing the contact center to use this information for agent performance as well as satisfaction with the business. SMS does not allow detailed or multiple questions though, and businesses will have to collect mobile numbers if they do not already have them. However, take-up rates are better than many other forms of feedback (at around 25-35% on average), and younger and more time-poor customers are more likely to respond, providing a wider universe of responses across demographics. This form of survey can allow the contact center to identify very unhappy customers and schedule an outbound call to deal with the problem.

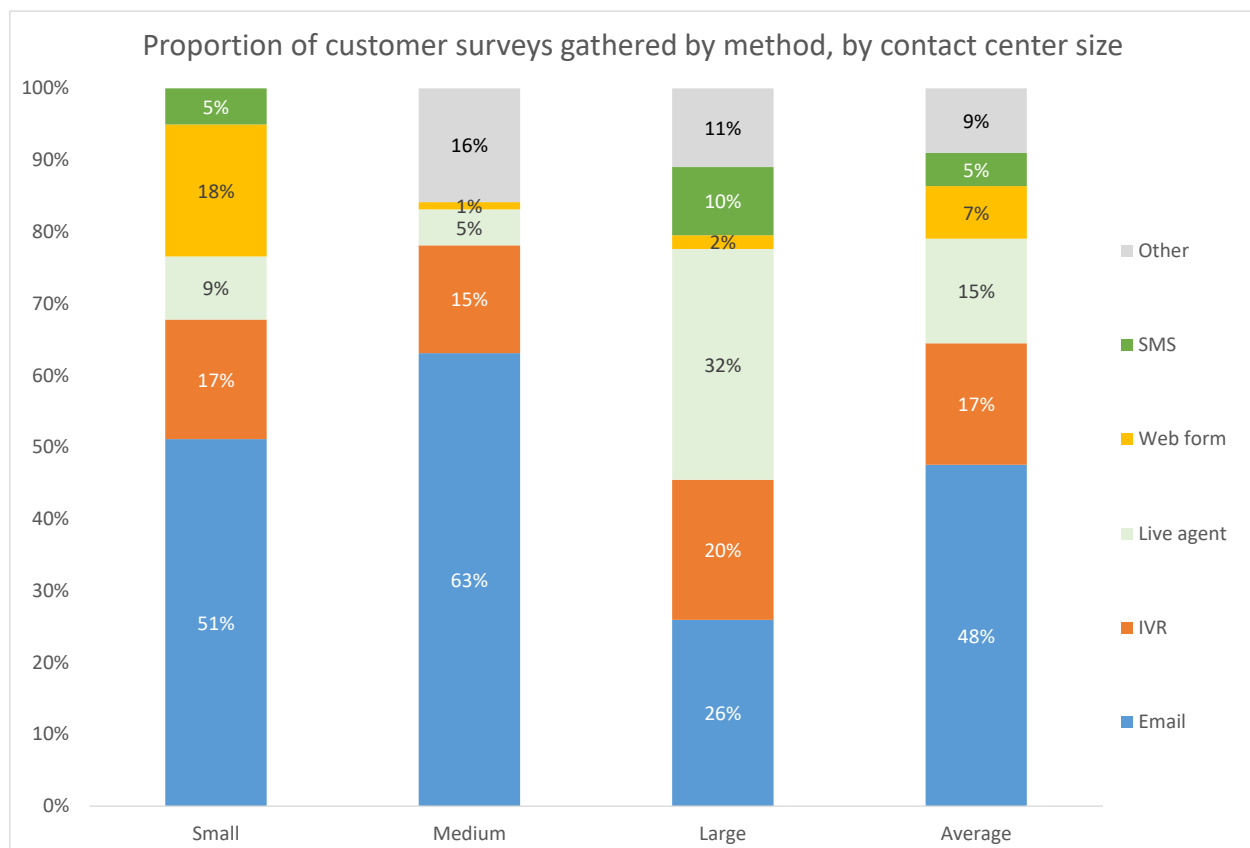
By far the most popular way of collecting customer surveys is via email, particularly amongst small and mid-sized operations, with 48% of surveys being collected in this way. Email allows a mixture of quantitative numerical data to be collected, along with qualitative comments which may highlight issues that would otherwise be unknown. It also has the advantage of immediacy and can be fully automated, requiring little or no additional input from the business. Web forms also allow this mix of numerical and written data to be collected, but the timing of offering the surveys during a web browsing session can be difficult to get right.

Large operations are more likely than others to use IVR to gather customer surveys, whereas smaller contact centers use web forms more often.

Despite the cost, outbound survey calls carried out by live agents are used in 17% of cases, which allow a depth of qualitative information to be collected from which insights can be drawn. Respondents from large operations are much more likely to use this method.

Both SMS and IVR are more positioned towards gathering quantitative information, often aligned to NPS.

Figure 25: Proportion of customer surveys gathered by method, by contact center size



Many companies state that they listen to their customers, but do they actually hear what their customers say? And then do they act upon it to change or improve their processes? There is no point in generating an expectation which the business has no intention of fulfilling. Don't ask the customers for feedback if there is no intention of using it to make the service provided substantially better.

Formal surveys of customer satisfaction offer the customer a chance to feed-back, and the business to learn. Setting up surveys involved various elements which should not be overlooked, including:

Defining the purpose and objectives of the survey

- Deciding the approach
- Developing the questionnaire
- Carrying out the survey
- Collating the data
- Analyzing the results
- Presenting the findings - and acting upon them.

Survey forms should be simple and quick to complete, but if possible should carry enough weight to allow the company to change its processes and behaviors if that is what is required, using a mixture of objective questions that can be segmented and scored, as well as free text, especially in telephony questionnaires, where customers can be encouraged to add real value.

For surveying customers' experience of the contact center, the key to success is to keep the survey fairly short, with a maximum of around 5 questions, which can be range-based (e.g. "strongly disagree", "disagree", "neutral", "agree", "strongly agree", etc.), a simpler 'Yes/No' option and a free-text, 'any comments' question. These questions may include:

- Was the call answered quickly?
- Was the agent polite?
- Were you satisfied with the response?
- Was this the first time you had called about this matter?
- Do you have any comments you would like to make?

Opinion is split on whether surveys should identify specific agents, as although major outlying training and behavioral problems can be identified, many operations are keen to avoid the 'Big Brother' feeling of spying on agents, and prefer to emphasize that surveys are done to identify broken processes, not to criticize individuals.

Regardless of whether or not surveys identify specific agents, a key to success is whether the survey implemented is considered by agents as just yet another form of monitoring, or a genuine attempt to help them provide better service in the long run. Agents tend to respond well to successful customer satisfaction improvement initiatives as they usually make their job easier and more rewarding. Keep the survey process simple, focus on agent engagement and act quickly to provide positive feedback to the team.

It's more important to get the survey adopted as a positive part of the company's customer service strategy than it is to design the academically perfect survey that has a negative impact on the morale of the team.

It is vitally important before beginning to survey customers, that a business:

- Clearly determines the purpose and aims of the survey
- Considers adopting a variety of question types. Scored questions enable a business to produce statistically significant and representative data. Free comments allow the gain of real insight into customers' perception of service
- Selects an experienced company to set up and host the survey. Businesses will benefit from their expertise and knowledge and avoid potentially costly errors
- Ensures that the survey can be carried out throughout the day, including peak times, to gain a true picture of the customer experience
- Makes sure that the results of the survey can be collated and analyzed in a wide variety of ways. It is pointless to amass information if it cannot be evaluated and the results disseminated usefully
- Has procedures in place to act upon the information that it finds. The survey may have uncovered some broken processes in the service which need attention. It will also inevitably throw up disgruntled customers whose specific concerns need addressing. In this instance, the survey platform should provide some mechanism for alerting and following-up to ensure that dissatisfied customers are escalated to the appropriate staff
- Adopts a unified approach across the business to assessing and monitoring customer satisfaction. If a business continues to reward agents based on traditional call performance metrics, it is merely paying lip service to good service. If agents are rewarded based on customer satisfaction ratings, it will increase agent engagement and retention at the same time as improving the service it offers to customers.

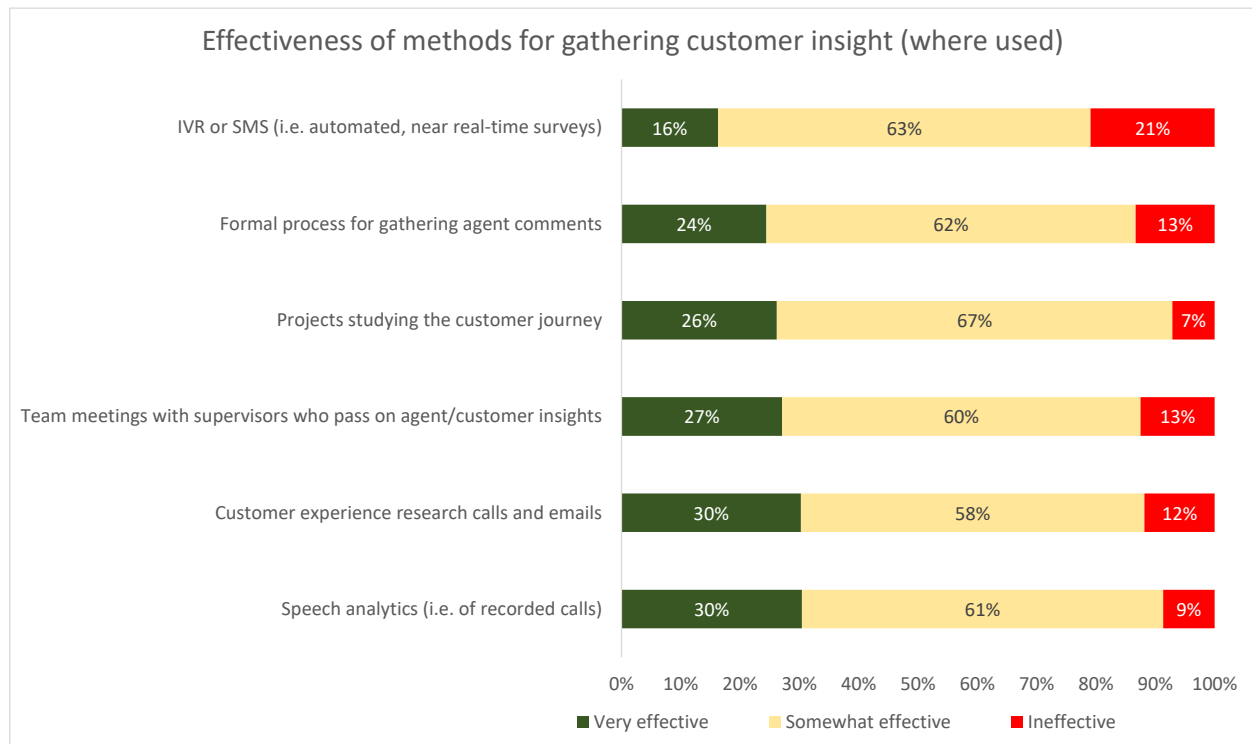
USING CUSTOMER FEEDBACK

The chart below takes into account the respondents' opinions of the effectiveness of each method of gathering customer insight.

Taking into account the proportion of respondents using each form of insight gathering method, speech analytics and CX research calls and emails directly to customers were judged to be the most effective.

IVR/SMS surveys and formal processes for gathering agents' comments were seen as somewhat less useful.

Figure 26: Effectiveness of methods for gathering customer insight (where used)



CUSTOMER JOURNEY ANALYTICS

Driven by the need to get beyond the siloed nature of multichannel interactions, customer journey analytics aims to gather together the various data sources, triggered processes, and customer touch points involved in the customer interaction in order to optimize the overall customer journey. By fully understanding the customer experience, businesses can identify and rectify inefficiencies helping to break down the boundaries between channels and between the front office and the back office.

Customer journey analytics goes beyond the measurement of individual interactions and touchpoints. Sophisticated analytics solutions use data inputs from multiple sources, both structured and unstructured, in association with journey maps which are produced by employees in multiple roles within the organization who document how various processes currently work and how they could be optimized.

In the past few years, a widespread realization amongst businesses that the complexity of the customer journey has increased in line with the number of new devices and channels available to customers to communicate with the business has led to the initiation of customer journey projects, backed by new management positions coming under the wider 'Customer Experience' banner.

This is particularly the case in larger contact center operations, where businesses are increasingly looking at the effectiveness of back office processes that can impact upon whether the customer has to contact the business multiple times.

Customer effort and engagement is very dependent upon how effectively channels work together, as well as the level of first-contact resolution. Proactively engaging the customer at the appropriate time within the customer journey has an opportunity to reduce the effort required for the customer to fulfil their interaction completely. As part of a wider omnichannel engagement, businesses must seek to understand how and why customers prefer to engage with them, optimizing the flow of information throughout any connected processes and channels so that the organization becomes easy to do business with.

There is an increasing requirement for multichannel analytics, including email, text chat, IVR and web browsing sessions, to get the full picture of the customer's real journey in a single interaction and identify and improve any sub-optimal channels. Improving self-service optimization is often a quick win that can provide immediate economic benefit to businesses: between 10-20% of calls that go into an IVR system are 'zeroed-out' – rejected by the customer in favor of an operator.

Businesses using customer interaction analytics to review these failed self-service sessions will be able to categorize many of them in order to improve the processes at a macro-level. Common findings from the analysis of these calls is that the IVR system was poorly worded, menu choices were not intuitive, or did not match current service choices. Other failures occur through mistakes in IVR routing, and there may also be problems with a lack of customer awareness that various options were available.

Many solution providers refer to ‘the customer journey’ as one of the major places where analytics will surely go in the longer term, once businesses have used analytics to handle shorter-term, more operational issues.

Future customer contact is likely to become along polarized lines: for everyday, mundane tasks, the customer will choose the website or mobile app for self-service, leaving the contact center to deal with those interactions which are complex or emotive for the customer (as well as there being demographics for whom the contact center will continue to be primary). With the website becoming the first port-of-call for many customers, the analysis and understanding of the success (or otherwise) of pre-call web activity is a valuable source of knowledge about how effective the main portal to the business is being, as well as being able to give businesses greater insight into why people are calling.

There will come a time when all data generated within a business will be able to be cross-correlated to provide insights not only to the customer contact department but also to parties such as marketing, operations and finance, so they have greater insight about issues such as price elasticity and revenue maximization. The ability to prove to senior management that the actions and insight held within the contact center has a distinct and measurable impact on the entire company – and as such is not simply a cost center – is likely to improve its visibility and credibility which should help to create a long-term holistic view and assist further investment.

RECRUITMENT & ONBOARDING

RECRUITMENT

To ‘optimize’ a workforce, the first step is to recruit the right sort of employee to begin with.

Contact center managers were asked for their experience of how effective a number of recruitment methods were. There is a definite pattern: the closer you get to the candidate (through competency based assessments, personality tests and face-to-face/telephone interviews), the more likely the recruitment team is to make the right decision. The average contact center role is changing into something requiring a high level of IT, business and communication abilities and this trend will certainly continue.

While most contact centers do not admit to having problems with staff recruitment, many of the same operations have problems with staff attrition. The case could be made that high-attrition operations do have a problem with recruitment, but they just don’t realize it. Having filled their job roles, the recruitment process is deemed to have been a success, but how many of these new recruits turn out to be no-shows, leave before the induction course is complete, or shortly into the job? These recruits are gauged to be part of the attrition problem, when in fact, they are indicative of a recruitment problem. As such, businesses should try harder to understand what skills and attributes successful agents are already demonstrating in this role – empathy, resilience, reliability, sales technique, technical capability, etc. – and seek to recruit more people with these specific capabilities and behaviors.

Recruitment has traditionally been about asking the question “Can the applicant do the job?”. Having the skills to carry out the task is obviously important, but most can be learned, and in an environment such as a contact center – where both tasks and environment are not suited to everyone – other factors are perhaps more important. This is borne out by consistent research findings, which indicate that the main reason for staff attrition was that they were just the wrong type of person for the job.

Firstly, the business must understand the competencies, characteristics and behaviors that are most suitable for the contact center positions that they are trying to fill, for example:

- empathy
- dependability
- customer focus
- problem-solving
- the ability to understand and follow instructions
- a focus on a goal.

Successful agents will also require some hard skills, although many of these are more easily learned. Through judging competencies objectively, and using a combination of processes (for example, telephone and face-to-face interviews, with upfront psychometric analysis to determine the likelihood of the prospect being a long-term success in the contact center), the business reduces the risk of high attrition and growing costs, and can focus upon its strategic goals.

By tracking the in-job performance of applicants who scored either well or poorly in pre-job assessments, businesses can improve their ongoing recruitment techniques. For example, agents who have high assessment test scores often have higher revenue-per-call ratios, lower average call lengths and lower attrition rates than those who scored lower in pre-job character and personality assessments. The behaviors, personality traits and characteristics that a top agent is most likely to have can then be identified, and the results fed back into the top of the recruitment process. This allows the recruitment process to seek out the types of people who have already been proven to succeed in that role.

From a WFO perspective, quality management outputs can be used by the HR division in order to track the success or otherwise of recruits, and feed this back into their recruitment practices so as to attract more candidates with the skills that prove successful in the contact center environment. The training department can see where the greatest needs for improved training courses are: for example, if a large proportion of new agents receive low scores for similar attributes or characteristics, improvements to the induction course should be considered.

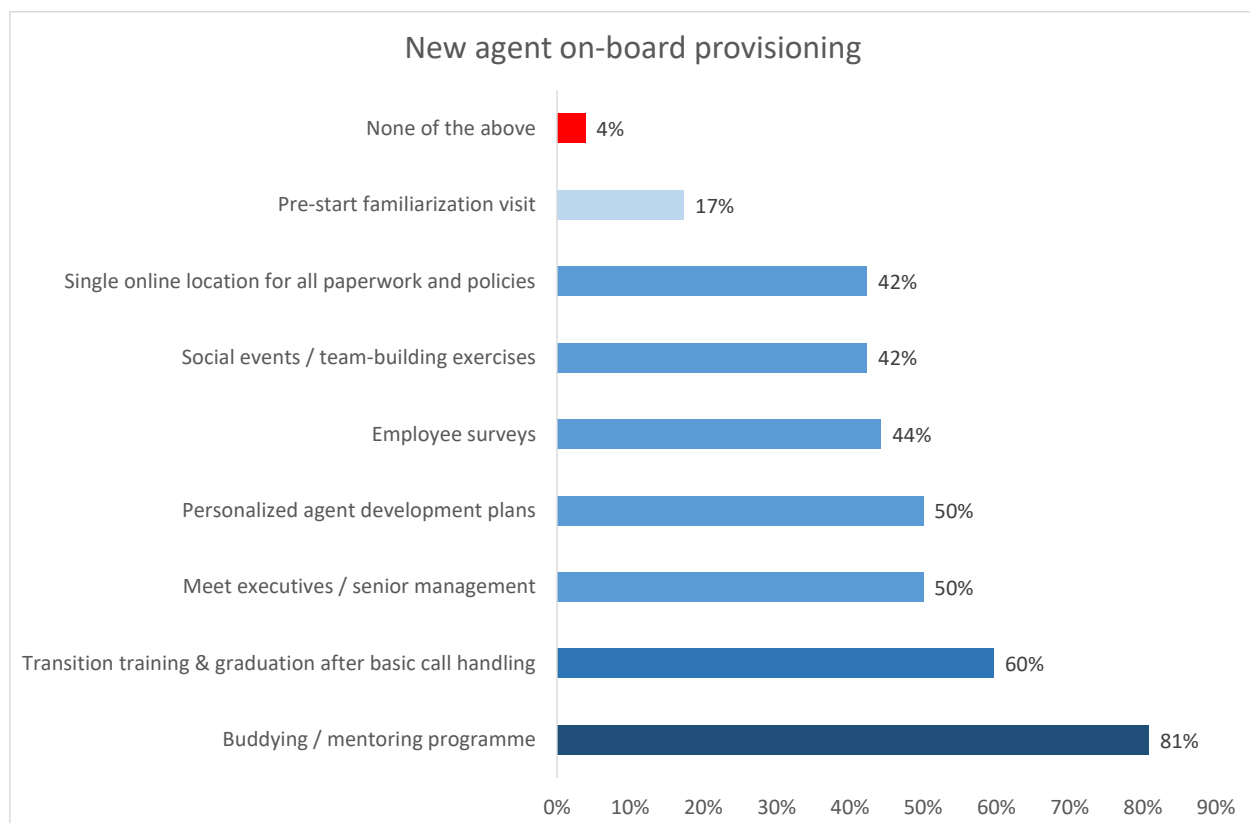
ONBOARDING

An agent joining a new organization has a lot to take on board – culture, systems, expectations, new products and services – and this becomes even more difficult if this is the first time that the agent has worked in a contact center environment. Businesses have numerous ways of introducing (or ‘onboarding’) new agents to their work, shown in the following chart.

Most respondents have a buddying / mentoring program, and some form of official ‘graduation’, easing new agents into the real work after basic call handling training. Social events and senior management introductions usually feature quite highly, although the pandemic has obviously severely reduced the opportunity for the former. 50% provide individual agent training and development plans.

44% of respondents seek 360-degree feedback from new agents (which would provide vital information about the reality of the agent onboarding process that could be used for improvement), and 42% offer a single portal containing all of the paperwork and internal administrative tasks that a new employee requires. Only 17% have pre-start familiarization visits (a considerable drop from pre-pandemic figures, perhaps as so many agents are now based at home).

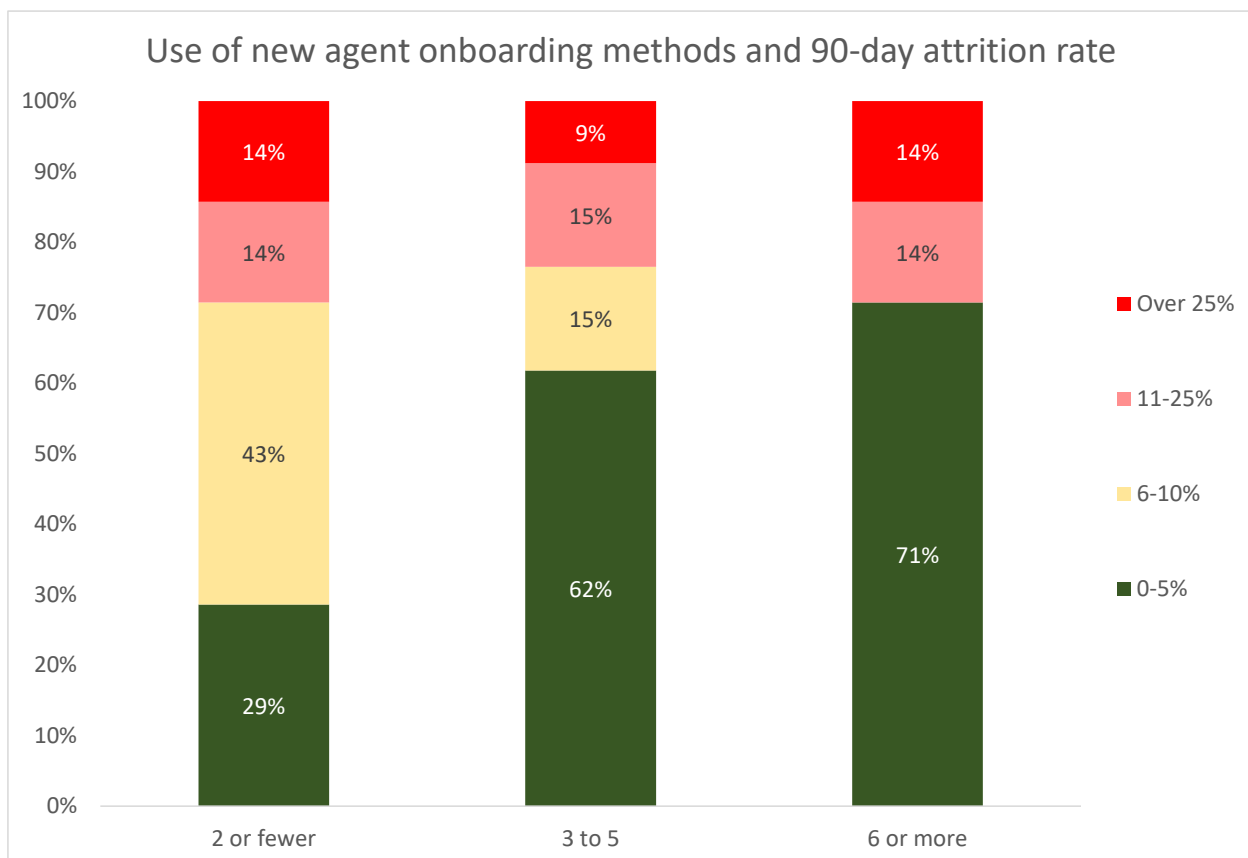
Figure 27: New agent on-board provisioning



It is hypothesized that high levels of agent onboarding and support would reap benefits through lower new agent attrition levels, as agents receiving more onboarding support in their first few weeks should adapt to the work and culture more quickly, become more confident and feel more empowered. The chart below shows three ranges of new agent attrition – 0-10%, 11-25% and 25%+ – and investigates how many types of onboarding method were used by respondents within each group.

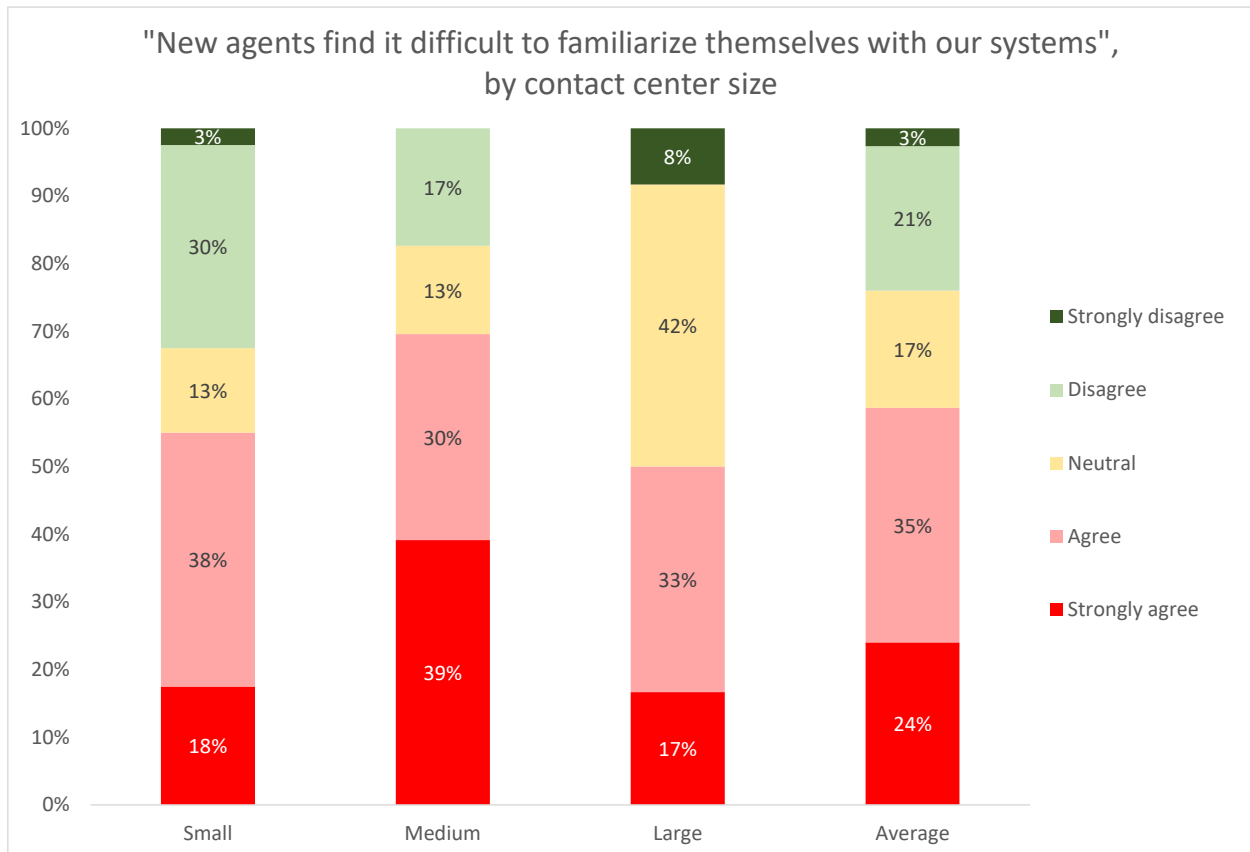
It does seem as though there is a positive correlation between the number of onboarding methods used and having low 90-day attrition rates.

Figure 28: Use of new agent onboarding methods and 90-day attrition rate



69% from mid-sized operations agree or strongly agree that new agents find it difficult to familiarize themselves with systems when they first start in the contact center, which leads to sub-optimal performance, errors in processes and low morale.

Figure 29: Agreement with statement: "New agents find it difficult to familiarize themselves with our systems", by contact center size



VOICE OF THE EMPLOYEE & AGENT EMPOWERMENT

VOE PROGRAMS

Voice of the employee (VoE) programs are an integral part of the workforce engagement management suite, aiming to understand how employees feel about their work and the organization with the end goal to understand and improve outcomes for employees and the business.

Some of the purposes of VoE include:

- improving employee performance and retention
- identify areas of underperformance in the organization
- understanding and addressing the causes of boredom and burnout in front-line employees
- improving employee motivation and aligning them with business strategy and culture
- as happy employees directly affect performance and customer experience, making the workplace and culture more pleasant will benefit everybody.

VoE programs survey employees through tailored questions in order to gather insight about current levels of engagement by role, team, department, etc. Not only do front-line employees appreciate being listened to, but to be able to see any changes and improvements made as a result of their comments is very motivating.

Team and individual development plans can then be published, progress tracked and results shared. VoE survey findings can provide insight to other parts of the WFO suite (e.g. coaching/eLearning, and also gamification and performance), and also be connected to other metrics including absence, attrition and customer-focused scores.

VoE helps organizations understand what their best-performing employees are thinking and engage with them to keep them loyal. It is important for any VoE program to be set up so as to be able to release actionable insight: not just answers to questions such as ‘how engaged with the business are you?’, but also why this is, how it can be improved and what effect on the business will this have. VoE in the contact center should answer questions around whether agents have all the tools they need to deliver a successful customer experience and whether they are encouraged and empowered to own the customer’s issue or feel as though they are managed and judged solely by internal metrics.

Many contact center employees are finding that the calls they are now handling are becoming increasingly complex, as many of the simplest interactions are being resolved through self-service. Where support systems and training have not been upgraded accordingly, this can lead to stress and demotivation as not being able to help customers effectively is a very negative experience. This issue is only likely to get larger over time, particularly as customer expectations are always rising. Successful VoE is a long-term, ongoing project rather than simply being a snapshot of a moment in time, and it is important to create buy-in at the top of the organization by sharing the goals and insights with senior management and linking any results to improvements in business performance.

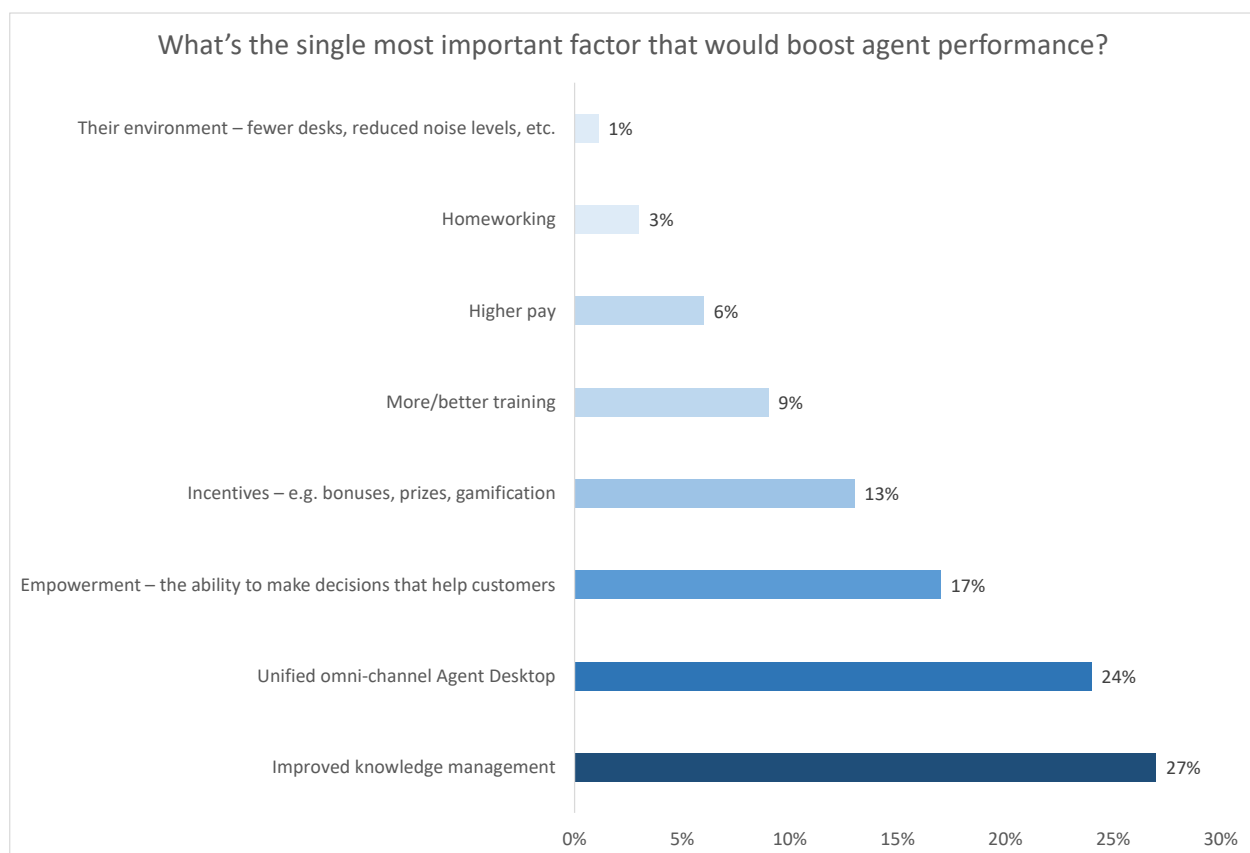
AGENT EMPOWERMENT

Giving agents the empowerment to make decisions that help customers has a positive effect on morale. Empowerment – the support provided by the systems, processes and organizational culture required to help an agent solve the customer’s query – is closely linked to first-contact resolution, which is key to customer satisfaction and impacts upon morale: agents unable to help customers become discouraged which leads to high agent attrition and absence, as well as more callbacks and call transfers, which impact negatively upon contact center cost, performance, quality and customer satisfaction².

Survey respondents also stated that improving the technology available to support agents makes a positive impact upon morale. Knowledge bases, dynamic scripting, a 360° view of the customer and a single unified desktop also empower the agent to deliver a successful resolution first time.

Survey respondents were presented with a list of factors that could improve agent performance and were asked to give their top three.

Figure 30: What’s the single most important factor that would boost agent performance?



² <https://www.isixsigma.com/operations/call-centers/done-one-importance-first-call-resolution/>

Empowering agents to make decisions that help customers – which increases first-contact resolution rates – was once again an important factor in increasing agent performance. As respondents also stated that this would improve agent morale, contact centers should focus upon the tools, processes and culture that supports agent empowerment. Improved knowledge management applications – the most popular top 3 factor – help with this, as they attempt to provide the agent with the information required to solve the customer’s request while on the call, rather than requiring call transfers or callbacks.

A unified omnichannel agent desktop, providing agents with all of the information that they require on a single screen, also empowers agents and help solve the customer’s issue first-time.

Higher pay, despite being viewed as a major boost to morale, was not seen as an effective way to increase performance: keeping the same staff, technology and processes while paying agents more won’t make any major difference to performance. Incentives were also viewed as improving morale rather than performance, although they are useful in particularly high attrition environments such as many of the largest contact centers and those running outsourcing operations.

Being seen as key to both morale and performance, agent empowerment – the ability to make the decisions and carry out the actions that would actually help customers – requires the business to trust the agent to do the job to the best of their ability, supporting them through culture, process and technology as needed, and is closely linked with first contact resolution, which as we have seen elsewhere in this report is key to customer satisfaction.

So how can agents become empowered? A few elements are:

- Providing system support to answer any query, with access to the customer’s history across every channel
- Desktop applications that provide all of the relevant information in one place, without requiring agents to hunt it down
- Intelligent AI-driven support to suggest answers to agents, and make sure that they comply with regulations and achieve the quality controls set by the business
- Recurrent queries are identified and answers disseminated via knowledge base / alerts
- Skills and capabilities, via ongoing training
- Trust and culture from senior management, including giving agents the time they need to handle the query without excessive pressure to meet internal metrics at the expense of solving the customer’s issue.

To find out more about empowering agents, please download “[The Inner Circle Guide to Agent Engagement & Empowerment](#)”.

SUPPORTING FRONTLINE STAFF

Contact center decision-makers were asked how they are helping their agents adapt to changing customer requirements, whether through recruitment, training or technology.

A small minority of respondents are actively recruiting more experienced and educated agents to handle changing customer requirements, which implies that the typical contact center strategy focuses upon improving the skills of existing agents, as well as any supporting technology and processes.

An increase in training is generally seen as one of the keys to increasing agent performance, and the majority of contact centers state that they are doing this, certainly for soft skills and to a slightly lesser extent, technical and product knowledge. There seems to be much less focus on training agents to handle digital enquiries, despite the general acceptance that the growth in digital channels is driving contact center strategy.

The majority of contact centers acknowledge the need to improve quality measurement, which then leads to more targeted and effective coaching.

There was a general feeling from the contact center decision-makers interviewed for this survey that suboptimal contact center performance can usually be attributed to processes and technology, rather than the caliber of their agents.

While this shows an admirable confidence in their agents' current capability, contact center leaders themselves say that increasing training is the most important method of improving agent performance, and the great majority of them state that they are increasing the amount of training and coaching – for both hard and soft skills – in order to keep up with the changing nature of the job and the growing expectations of customers.

Decision-makers see technology as being a crucial part of this, not for its own sake, but as a way to inform and empower agents to carry out their work more effectively. Unlike the traditional call center, where cost and efficiency were priorities, most technology solutions now being implemented aim to help the agent deliver a higher level of customer experience. Technology in itself can't do this: it must be aligned with a culture of agent empowerment and learning in order to raise and maintain the overall quality of customer interactions.

Contact center leaders view this investment in technology to be an important but not the only method of helping frontline staff adapt to changing customer requirements, with the unified omnichannel desktop being seen as one of the most important solutions enabling and empowering agents to deliver high quality customer service.

It should be noted that most agents are already running close to capacity – time spent idle is usually under 10% for most operations – and that call lengths are increasing as work becomes more complex. Getting agents to work 'harder' (i.e. a greater interaction throughput per hour) is counter-productive to quality and customer outcome: agents need to be supported to work smarter and become more aligned with the contact center's and wider business's strategy.

COACHING & ELEARNING

As part of the workforce optimization suite, eLearning provides the opportunity for cost-effective, personalized and targeted agent training to be delivered without excessive disruption to the agent's normal working day.

The QA process will tend to drive eLearning requirements through identifying gaps in agent knowledge and capabilities, for which the appropriate training modules can then be provided. A feedback loop can be established by the QA process then checking that the original issues have been solved through the targeted training. eLearning is also linked to gamification, which is an important part of keeping agents fully engaged with training materials, as well as other parts of the WFM suite: workforce management and intraday can be used to gather blocks of idle time into usable chunks in order to offer micro-learning experiences to agents throughout the day.

Contact center training can usually be divided into soft or hard skills: for example, empathy and listening skills, or new product information respectively. Classroom-based training is often better for soft skills where live practice and interactive discussions can happen, but this can be less effective for training staff on product knowledge as this is often simply about sharing facts and can be more of a one-way, text oriented process. As such, eLearning maybe more appropriate as this lends itself to a one-to-one, gamified virtual training environment where learners can go at their own pace. Hard skills training runs the risk of being dull and ineffective if it is too heavily based on reading large quantities of text. eLearning providers should use graphics, animation, games and video clips to make things more interesting and memorable.

eLearning should not be seen as a one-off activity, and businesses may wish to implement daily micro-quizzes to refresh knowledge and inform agents of any new information that they should be aware of. Any training should be tailored to agents' past experience and performance, as making the content too easy or difficult may well fail to keep them engaged in the process. Test results will feed into individual agent's personalized training requirements, and can also be viewed as a team and department level: low scores across the board will suggest that it is the training that needs to be improved rather than being an issue with any particular individual.

eLearning can identify career opportunities arising from the particular strengths of an agent by seeing who's good at project management, planning and forecasting, leadership etc. in order to flag up agents as potential promotion material. It is also good for induction and onboarding, in that new agents can go at their own pace and break up the classroom environment. eLearning can also be a cost-effective method of training up seasonal workers on short-term contracts, for whom rigorous classroom-based training sessions may not be appropriate.

DISRUPTORS TO WORKFORCE OPTIMISATION

The traditional contact center environment was that of a single, centralized physical entity, usually employing full-time staff making and answering telephone calls, using software owned and operated on the premises. Within these environments, calls were recorded and a small proportion of them analyzed manually, with forecasts and schedules planned some days or weeks in advance, without the expectation of many changes being made.

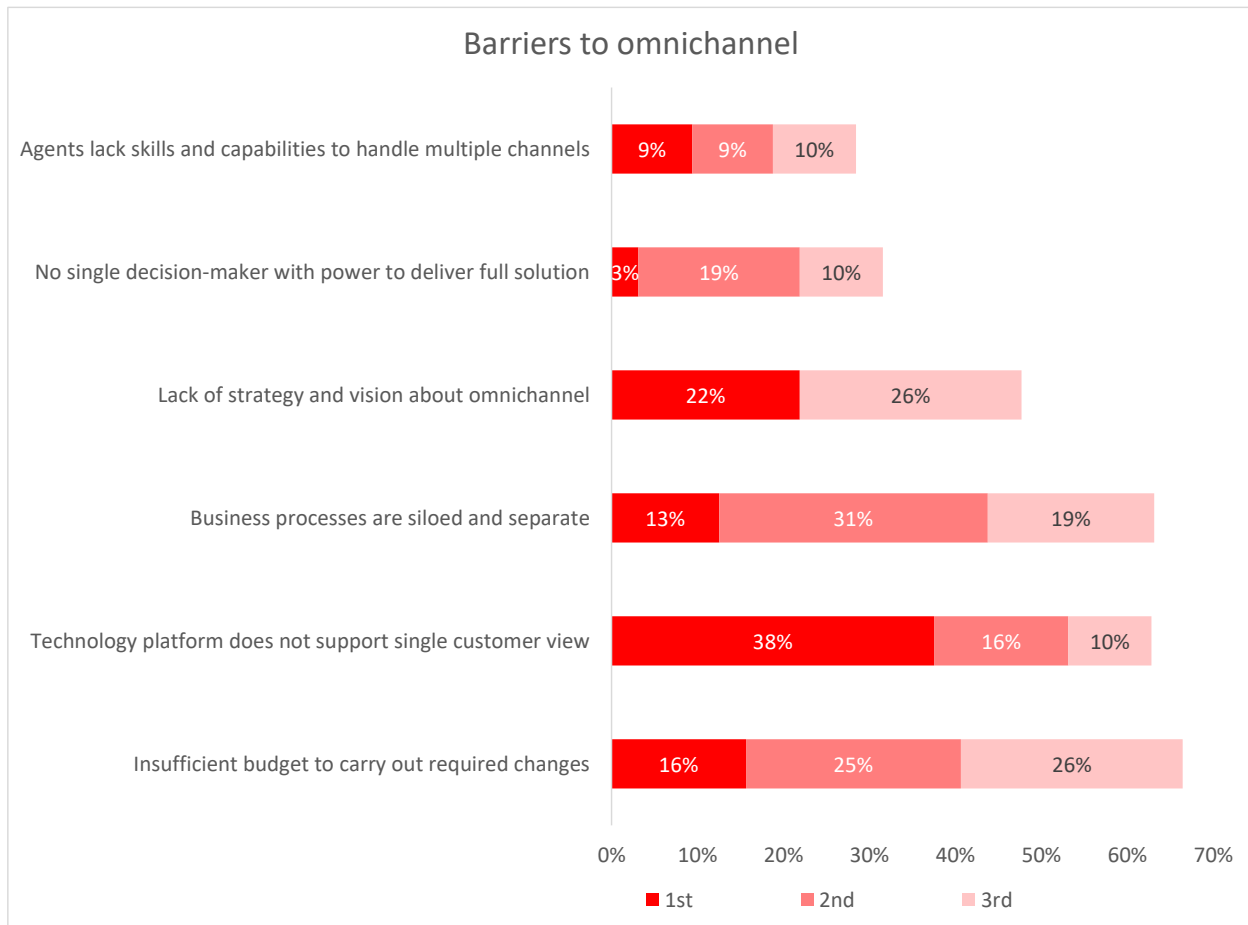
Into this static environment come several major disruptors, in terms of technology, working practice, physical location and a major uptake in digital channels. This section of the report looks at how these disruptors affect workforce optimization:

- Omnichannel
- Artificial intelligence (AI)
- Cloud
- Remote working and virtual contact centers
- Enterprise WFO.

OMNICHANNEL

Since 2010, digital channel interactions have risen from under 10% of contact center activity to over 25%, with the pandemic driving up digital volumes even further. Non-voice channels can no longer be treated as bolt-ons, but should be handled in an integrated way alongside voice.

Figure 31: Barriers to omnichannel



Respondents believe that there are four main barriers to omnichannel, any of which in isolation would be hard enough to overcome, but together appear to be quite daunting:

- the technology platform does not support a single view of the customer
- there is insufficient budget to carry out the required changes
- business processes are siloed and separate
- there is a lack of strategy and vision about what omnichannel can deliver.

While these inhibitors to omnichannel are certainly formidable, they are not insurmountable. From a technical viewpoint, the starting point is to have a single integrated platform that is capable of identifying a customer regardless of the channel which they choose to use. This will involve mean evolving from the siloed, channel-focused point solutions that were put in place to handle a specific need, and using a services architecture that is extendable to different channels in the future. It is also important to have a master dataset for product and customer data which is a 'single source of truth' that can be drawn upon by any customer or agent through any channel.

Concern about agents lacking the capabilities to handle multiple channels is not seen as one of the major inhibitors to offering customers a full omnichannel experience. It is something of a concern from the WFO perspective that siloed business processes are holding back omnichannel, as this makes accurate forecasting and scheduling multiple channels more difficult.

From the viewpoint of WFO, tight integration is of great benefit to help the various pieces of the solution or suite work together, as many of them interact with each other to provide insight and key data in a continuous feedback loop.

END-USER QUESTION #4: WHAT ARE THE CHALLENGES AROUND DIGITAL CHANNELS THAT YOUR SOLUTION CAN HELP US WITH?

Answered by Enghouse Interactive

- **Multi-channel Integration:** The Enghouse CxWFM workforce management solution can schedule agents across voice and digital channels to ensure consistency in service levels, no matter the method of contact.
- **Skill Assignments:** CxWFM supports agent skill identification, including channel proficiency, which is critical when scheduling agents with the appropriate skills for each interaction channel.
- **Performance Monitoring:** CxWFM provides information on agent performance on all channels, informing scheduling decisions and ensuring high customer satisfaction.

ARTIFICIAL INTELLIGENCE

From the QA perspective, interaction analytics offers the capability to monitor and score 100% of calls automatically, and machine learning can use this large pool of data in order to analyze patterns of agent behavior and characteristics connected with best outcome in order to develop performance and training programs at the individual agent level. Specific gaps in knowledge or capabilities can be identified and addressed based on thousands of calls, rather than relying upon manual evaluations which can only process a handful of calls from each agent.

Being able to score every call through an automated AI process means that the quality assurance team is able to review specific calls that have been flagged up as being potentially important, rather than hoping that they stumble across them in a random assessment. This may include calls where specific language is used, has long pauses, or where the agent or customer raises their voice or talk across one another. The AI system can be trained to understand which calls are “normal”, and which are outliers more likely to require assessment from the quality management department.

AI also enables marketing departments to predict the likely success of their campaigns, and translate this into how the contact center or wider customer contact arena will be impacted, providing predictions on how WFM resourcing and training requirements will need to be changed to meet customer requirements. Being able to use peripheral data such as the specific level of agent experience available, the day upon which the marketing campaign is launched and even the time of the year will improve resource forecast accuracy.

AI will help the organization to understand what is happening at every customer touchpoint, and act as a controller of all of the various pieces of the WFO/WEM suite, passing the right information to each element and finding patterns and insight.

AI will also support the use of predictive analytics, understanding in advance when, where and why specific queries or customer types will require service, allocating resource and proactively engaging with customers to manage spikes, sharing next-best-action guidance with agents, and creating high first-contact resolution rates.

CLOUD

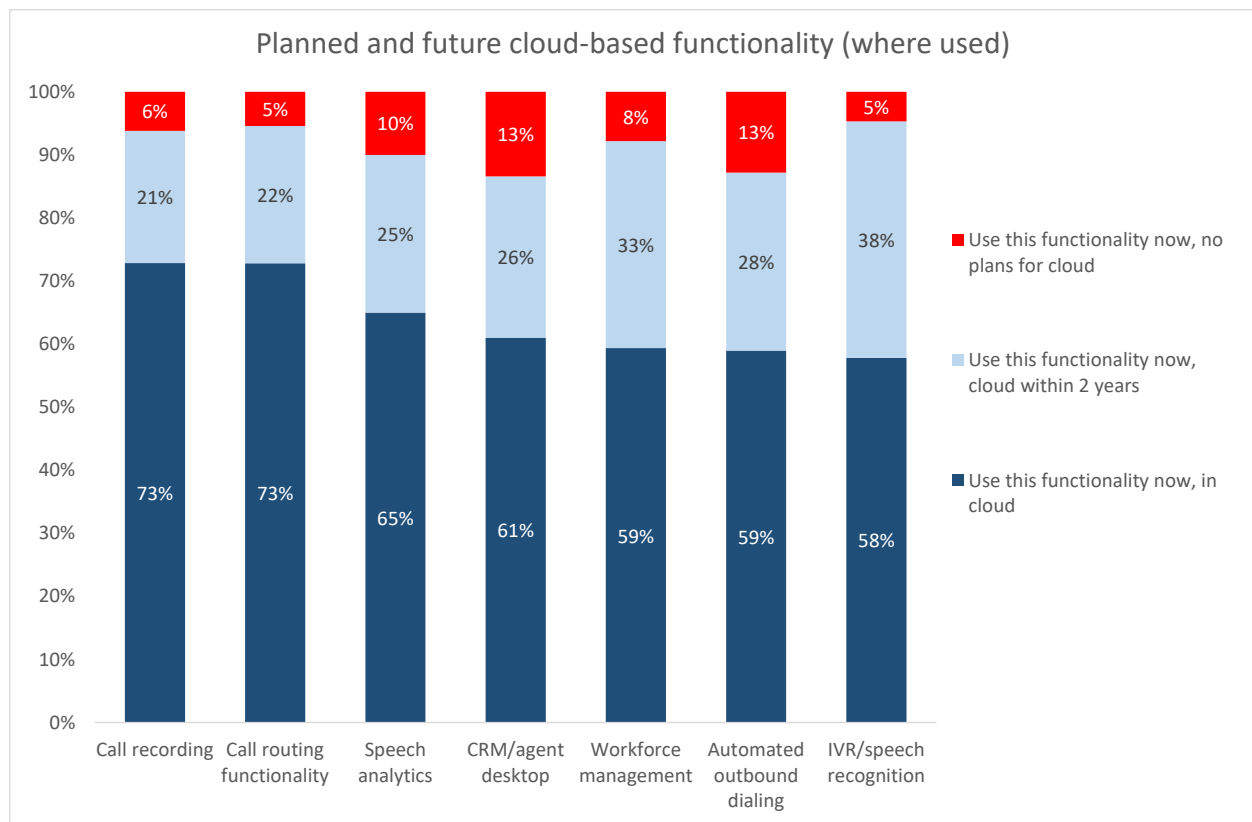
Survey respondents were asked about the contact center functionality that they had within the cloud, and what their plans were for the next two years.

The chart below shows only those respondents that actually use this technology, regardless of which deployment option they use.

73% of respondents' call routing and call recording functionality is deployed through cloud-based solutions, with respondents stating that all of the other applications studied were also in the cloud in the majority of cases.

Respondents expect to see significant extra amounts of their functionality being delivered in the cloud by end-2023. Respondents indicate that their cloud-based deployment of workforce management and IVR will show the strongest growth within two years.

Figure 32: Planned and future cloud-based functionality (where used)



While some vendors had been relatively reluctant to see their revenues diminish in the short-term (the movement from CPE to cloud means that license fees are spread out over time, rather than received as a large upfront payment), client expectations and the general momentum of cloud means that it is becoming the usual way to deploy WFO technology.

Some of the benefits that cloud-based WFO contact center solutions promise to deliver include:

- a reduced requirement for technical support, while maintaining access to the most up-to-date functionality without having to roll out major software releases
- access to functionality that will be otherwise unaffordable to small and medium-size contact centers
- support for virtual contact centers and remote working, as browser-based technology means that any software updates are rolled out consistently and immediately without the need for dedicated resource
- cloud-based solution providers' security and encryption is often more sophisticated and powerful than those of their clients
- flexible scalability and cost management that allows the use of the right number of licenses depending upon seasonality and actual demand
- cloud-based solutions may be more user-friendly, as they have not had to include the many various generations of existing functionality that CPE solutions are built upon
- a reduced financial commitment upfront
- the ability to roll out new functionality quickly as required. Most solution providers that offer both a CPE and cloud-based model will offer the same functionality across each deployment type.

For a comprehensive view of the drivers and inhibitors of cloud-based solutions, and the effect of these on the contact center industry, please download "The Inner Circle Guide to Cloud-based Contact Centre Solutions" from [here](#).

REMOTE WORKING & VIRTUAL CONTACT CENTRES

Although around half of contact centers still operate as a single, centralized site, there have been increasing commercial pressures and technical opportunities allowing businesses to look at alternative ways of working, such as using virtual contact centers, encouraging homeworking or bringing in knowledge workers from elsewhere in the enterprise. The recent pandemic-driven move to remote and hybrid working models has obviously made a major change to the contact center industry.

The drivers for this include:

- the presence of multiple contact centers, possibly gained through mergers and acquisitions (especially in the finance, insurance, telecoms and utilities sectors) which are not linked together in any way, thus not gaining from any economics of scale
- increasing levels of staff attrition and difficulty in finding the right staff to replace them, especially highly skilled agents
- the requirement of many contact centers for better-qualified staff, rather than just “warm bodies” to answer phones as a result of self-service take-up increasing the average level of interaction complexity that an agent now handles
- the need to keep the contact center open for longer, despite agents not wishing to work anti-social hours or businesses wanting to pay for a full shift when only a couple of hours are needed. For many organizations, the offshore experiment has not been as successful as they had hoped, and they are now required to offer US-based voice service to their customers rather than offshore service outside core US hours
- the recent rise in enforced homeworking and its popularity with many agents and businesses means that this is likely to become a significant part of the future contact center landscape, and recent ContactBabel surveys show that there is no short-term plan for most businesses to move back to a centralized operation. Apart from supporting business continuity, remote working is more environmentally friendly, supports a flexible lifestyle and allows longer opening hours
- the rising concern about coping with call spikes, which could be dealt with by logging agents on for an hour or two, rather than having them come in for a full shift
- the desire amongst some businesses to increase the size of the contact center but which may not be possible in that location due to market saturation and a shrinking labor pool.

The growth in distributed working means that WFO solutions need to be able to support these workers in the same way as those in a more traditional single center operation, with support for mobility through the use of smartphones and apps being critical.

ENTERPRISE WFO

For many years, the larger contact center solution providers have been encouraging businesses to look beyond the four walls of a typical operation and consider how and when to involve other knowledge workers in the enterprise, whether office- or field-based, in the business of customer service. For companies that sent all employees home, there was the opportunity to ask knowledge workers and those with face-to-face customer service skills to handle some calls or digital communications, using the same technology and processes as homeworking contact center agents.

IP contact center and cloud-based solutions can break down the boundaries between the contact center and the wider business, allowing every employee to act in the capacity of a contact center agent if in the best interests of the business. In many cases, the drive and interest towards IP telephony has come from the internal corporate telephony and IT departments, especially in the multi-office environments where real savings can be made.

There are significant advantages to having non-contact center personnel available to speak with customers on occasion: superior customer service (and the attendant improvements in customer spend and retention), immediate interaction with the right person, reduced call abandonment rates, shorter resolution times and fewer call-backs, as well as more intangible benefits like the ability of executives to listen to the customer first-hand and learn from the experience.

Knowledge workers can be incorporated into the contact center on a part-time basis, without actually becoming a customer service agent. Used by 53% of the respondents who use non-contact center staff to handle calls, 'presence management' links workers from diverse back office departments into the contact center by allowing communication and collaboration across sites and functions. Presence management shows if a user is available to communicate via a specific medium, such as instant messaging, email, telephony etc. Availability can be defined either by the knowledge workers themselves, or via device detection. It is possible to route calls to experts using the same criteria as in the contact center.

Presence can be seen as an extension of multi-channel contact routing by being integrated into software-based contact routing solutions, and can take omnichannel routing further, particularly in a SIP environment where presence can be detected in a greater variety of modes.

There are, of course, some potential dangers:

- Highly-paid knowledge workers may be overworked by the demands and interruptions placed on them by agents, and become less productive
- Most collaborative tools include directory search, instant messaging and presence for every individual, however, it is skill sets rather than names that should be used, to discourage dependency on one expert.

Intelligent routing should be used to govern requests for help to experts, creating routing rules to decide when experts should be used, and at what times. This should have the benefit of keeping the knowledge workers onside, and not choosing to show their presence as unavailable to avoid interruptions. Each skill area or department could offer a schedule to make sure that someone is available for the contact center, thus ensuring the privacy of the others in that virtual team, although this is used by only 18% of these respondents.

88% of knowledge workers outside the physical contact center have access to the same level of customer information as an agent within the contact center and 53% allow the contact center to view the presence and availability of the resource.

Figure 33: Integration of non-contact center staff with systems and processes (only respondents using non-contact center staff)

Level of integration with contact center systems and processes	Non-contact center staff capability
Same access to customer information as a contact center agent	88%
Can be viewed in real-time as being available or unavailable	53%
Rota / schedule for on-call experts	18%

THE BACK OFFICE

The back office is the part of the organization that processes activities supporting the rest of the business, such as order processing and fulfilment, payment and billing, and account creation and maintenance. Much of what the back office does is driven by interactions in the contact center which trigger the relevant processes, which the back office then has to deliver upon. ContactBabel research found that around 4 in 5 complaints are actually about failures occurring within back-office processes rather than within the contact center itself.

WFO solution providers are developing applications that can be used in the back offices and branches of large organizations as well as their contact centers. Far more employees work in these spaces than in the contact center, although many back offices lack the same focus upon efficiency and the tools to improve it. With the increased focus on the entire customer journey, back office processes are starting to fall within the remit of senior customer experience professionals, who have the authority to alter and optimize any area of the organization that impacts upon the customer experience, no longer being restricted to the physical environment of the contact center. The industry is likely to see back office and contact center workforce management systems being closely integrated, or even working as a single centralized function that can track and analyze the effect of different departments and processes on others throughout the customer journey.

The back office has somewhat different requirements to the contact center, and will require different functionality, including:

- supporting different metrics and deadlines to those of the contact center
- presence management, needed where there are multiple steps within a process that must be carried out by different individuals
- deferred workload and backlog management
- workload allocation based on large batches of work arriving at once, rather than being distributed throughout the day as is the case within the contact center
- forecasts built on contact center events and volumes may not be applicable in the back office
- different service levels and resource requirement calculations: many back office processes take considerably longer than a contact center interaction
- adherence to schedule without data from an ACD and capacity modelling (which includes employee skills and resource availability)
- the identification of bottleneck processes.

THE FUTURE OF WORKFORCE OPTIMISATION

Workforce optimization solutions are having to rise to the challenges of the modern contact center. Many operations now have multiple sites, have been forced to use remote working on a previously unimaginable scale, and need to meet the younger generation's expectation over flexible working hours and agent empowerment. Some contact centers now see half or more of their interactions coming through digital channels, and customer experience professionals are turning their sights towards the back office in order to optimize the processes that the contact center initiates. Workforce engagement management will encourage businesses to focus on their people's welfare as well as their performance.

From a technological perspective, cloud-based solutions allow scalability, flexibility and previously unconsidered levels of functionality to be available as needed. Analytics – including speech, text, desktop and customer journey – promise to deliver actionable insights at the organizational and individual level. Closer integration of the WFO modules means that a virtuous circle of positive feedback can be established: quality management discovers broken processes and agent training needs; workforce management and predictive analytics will feed into the recruitment and training programs; gamification impacts upon performance; customer journey analytics not only considers the contact center, but also the back office and all digital touchpoints as well.

Over the next few years, workforce optimization solutions will continue their move from being a loosely linked set of efficiency-enhancing technologies, into a tightly integrated holistic solution, driven by and contributing to insights throughout the organization. We can expect:

- further acceleration to the cloud from the elements of WFO which have been tentative as yet (particularly analytics)
- increased functionality around supporting omnichannel quality and workforce planning
- the increased focus upon customer journey analytics will bring the back-office and other parts of the enterprise into the workforce management arena
- the requirements to support flexible working in all its forms will mean workforce management solutions will evolve to support the decentralized contact center
- acceptance that FCR is the key metric impacting CX and satisfaction, along with AI-enabled analytics to measure FCR more accurately – will mean that WFO suites will better support the measurement and understanding of the processes affecting this metric
- analytics will expand its usage, being used not only for quality and compliance purposes, but also to identify suboptimal business processes and predict future interaction volumes and types, in order to support the effective resourcing of the contact center of the future
- AI will underpin the WFO/WEM suites, controlling the flow of data and insight between modules and allowing the contact center's and agents' performance to be viewed holistically.

END-USER QUESTION #5: WHERE ARE THE FUTURE INNOVATIONS IN WFO AND ITS COMPONENT ELEMENTS LIKELY TO COME FROM?

Answered by Enghouse Interactive

Innovations in the WFM aspect of WFO will likely be from:

- **AI and Machine Language (ML) technologies**, which will aid in the quick analysis of vast amounts of data to optimize scheduling in WFM solutions. These technologies can also be used to automate routine tasks, freeing managers to spend more time on more high-value activities.
- **Voice Recognition and Voice Bots**, which will allow agent to use voice command to perform tasks such as tracking hours worked and making schedule adjustment requests.
- **Blockchain technology**, which could impact the security and traceability of WFM processes, such as payroll management and credential verification.
- **Process bots**, which can be used to automate repetitive WFM processes, such as data entry, report generation, and compliance monitoring.

Artificial intelligence will also continue to drive innovation in other areas of WFO, such as:

- **Agent Assistance**, using **Generative AI** technologies to proactively prompt agents with correct and consistent replies to inquiries and provide personalized interactions with each customer.
- **Automatic Translation**, which uses AI to provide real-time translation of interactions to allow agents to respond using their own language, while still conversing in the customer's language of choice.

ABOUT CONTACTBABEL

ContactBabel is the contact center industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

We help US and UK contact centers compare themselves to their closest competitors so they can understand what they are doing well, what needs to improve and how they can do this.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analyzing the contact center industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

If you have a question about the contact center and CX industry, please get in touch.

e: info@contactbabel.com / w: www.contactbabel.com / t: +44 (0)1434 682244

Free research reports available from www.contactbabel.com (UK and US versions):

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- The US Customer Experience Decision-Makers' Guide
- Exceeding UK Customer Expectations
- Exceeding US Customer Expectations
- UK Contact Centre Verticals: Communications; Finance; Insurance; Manufacturing; Outsourcing; Public Sector, Retail & Distribution; Utilities
- US Contact Center Verticals: Communications; Finance; Healthcare; Insurance; Outsourcing; Public Sector; Retail & Distribution.