Operational Excellence in Contact Centre Environments

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*To begin with, I define **operational excellence** as a level of performance where all core processes in that particular business unit are consistently delivering to customer, people and business requirements. I define **Customer Contact environments** as any transactional customer facing operation. This could include contact centres, back-office support operations, repair centres etc., including outsourced or off-shore operations.*

There are many means to achieving operational excellence and it is very much a journey rather than a destination; in fact, I see it as an attitude and a way of managing, rather than a "tick in the box, done that" type of activity. Recent decades have brought to us many approaches, methodologies and toolkits that may traditionally have been applied elsewhere but whose applicability has been proven in the service-based customer facing environments. This business improvement horizon includes Six Sigma DMAIC, Design for Six Sigma, Lean, GE's Workout!, Process Management,….the list goes on.

But does all of this apply to Customer Contact environments ? Well…..
- Do they deal with customers ?
- Do they operate processes ?
- Do they need to worry about quality of service to customers ?
- Is there always a cost/quality dilemma facing leadership for operating these business units ?

If "yes" is the answer to these questions for your organisation, then these approaches have a place in your Customer Contact environment and with guaranteed tangible benefits too !

Where does the journey begin ?
Regardless of which approach is chosen, the destination must be defined and measurable. The starting point is always a definition of the customer, people and business requirements, within the context of your business unit and scope of work. The definition of "business unit" may indeed be the whole organisation, or it may be as specific as one particular contact centre. In the same context, the scope of work may be as large as performing an operational audit of that contact centre, or it may be as specific as a project focused on reducing abandoned calls or, increasing the customer enquiry resolution hit rate for an offshore operation.

Sounds simple ? It is…..lots of common sense but unfortunately a lack of common practice. It stands to reason that if the business exists to provide a service to customers, at a cost acceptable to the business, and in an environment that fosters a healthy organisational culture, then the practical starting point is to understand these precise requirements in a way that allows us to measure whether we are achieving them or not. If we can understand our true performance in accordance to these requirements then we can begin to manage it more proactively.

So why isn't this common practice ? Many organisations have very well defined business requirements and associated measures, but this is where their understanding of requirements ends, ie. no sight of people or customer requirements. These same organisations may even conduct employee satisfaction surveys and measure them as a whole by comparing one period of time against a previous period of time but again no linkage of how employee's requirements affect process performance. Generally organisations tend not to understand customer requirements at a level detailed enough to allow them to be measured and linked to their internal process deliverables. As a consequence, customer satisfaction surveys tend to demonstrate a level of organisational performance which does not often match internal process indicators.

If organisations were to understand the specific customer, people and business requirements and establish measures aligned to these requirements, then that alone would result in a tremendous shift in operational excellence. An operations dashboard of this nature would enable proactive identification of problem areas rather than having to work from bulky KPI reports. A dashboard of this nature is aligned to the identified requirements and report on key process performance information rather than excessive transactional and resource data. The indicators on such dashboard would also be a balance of lagging and leading indicators rather than just the former.

For organisations with an appetite to take this kind of data-driven management to another level there are several guiding approaches for different kind of problems.

If we analyse the problem areas in any organisation they tend to fall into four types of categories:

- The "everyday problems" are those which require basic logic and intuition to fix. Typically no data is required to resolve such issues. It just requires a meeting of the minds, most often across boundaries or hierarchies, to agree a common way forward. GE's Workout! approach is particularly effective for these type of situations. An example of this type of problem is the redesign of forms used by sales, to ensure that information submitted to contact centres do not then require further rework to complete the transaction. Another example could be resolution of issues relating to daily communication between a front-office and back-office operation.
- The "defect problems" are those where people are quick to jump from problem definition to solution, but where no-one can underpin the root causes with data. These type of problems may range from a high number of product returns, improving order entry accuracy or invoice accuracy, reducing credit notes to increasing resolution rates for customer enquiries. Lean

techniques and the Six Sigma DMAIC methodology lend themselves very appropriately to achieving sustainable process improvement for these types of problems. These approaches can also be applied in part and are thus very suitable for ad-hoc application (i.e. not necessarily in the context of a project). For example, effective resource management.

- Design For Six Sigma, i.e. the Six Sigma DMADV methodology, provides a data-driven, iterative approach to solve the "design problems" - those where the fundamental architecture of the process or organisation structure or IT system or product, is flawed and hence a rethink of the entire design is required. The examples here range from strategic design initiatives such as a new operational structure and model for the business unit, down to operational initiatives such as configuration of IVR/ACD systems in conjunction with the processes employed, or, design of a learning and development programme for contact centre employees.

- The fourth category isn't a type of problem as such, but more an opportunity to proactively manage the operational performance of the business unit using a process management mindset. By understanding the core processes of the business unit, their interrelationships, dependencies, inputs and outputs we can develop a mirror image of measures aligned at each sub-process level with defined process and measurement ownership. Given that the definition of these processes and measures would have started with the customer, people and business requirements means that any deviation from the requirements can be tied to a particular process and proactively managed through the use of any one of the methodologies mentioned above.

Customer contact environments are typical candidates for off-shoring operations and outsourcing operations. This operational excellence mindset, through business improvement techniques, is just as much applicable (if not more !) to these type of operations. By introducing a third party into the process means that another set of requirements need to be considered. This third party may take the shape of a "supplier" or "internal customer" whose requirements need to be understood, measured and managed (in that particular order !).

Consolidation of customer contact operations is an ongoing trend for valid reasons. These rationalisation/consolidation programmes provide numerous opportunities for "getting it right first time" through the application of such techniques.

Customer contact environments are the gateway to most organisations. If we get it wrong at the front end, we are likely to get it wrong throughout the chain of events that transports the customer's request through the various organisational functions and boundaries. Doesn't it make sense to start at the beginning ?

Some explanations

Six Sigma: a business improvement approach which constitutes a metric, methodologies and tools. This can be used as a management philosophy to drive strategic improvement or it can be used for discrete improvement efforts.

DMAIC: Define, Measure, Analyse, Improve, Control: A sigma improvement methodology aimed at defect and variation reduction

Design For Six Sigma & DMADV: Define, Measure, Analyse, Design, Verify: A sigma design methodology aimed at defect prevention

Workout! Workout is an employee empowerment tool appropriate for the smaller "shop floor" issues that staff are likely to complain about on a regular basis but never seem to get addressed. In many cases it will relate to localised process issues but it is not an exclusively process related technique.

Lean: A collection of techniques designed to be applied to processes which aim at producing what is needed, when it is needed with the minimum amount of labour, space, equipment and materials

Process Management: A framework within which core processes are defined and linked to process measures with a clear definition of process owners whose job is to drive process performance and ensure that the process meets customer and business needs

Defect: Any event that does not meet the specification of customer, people or business requirements

Variation: The changes that occur every time a process is performed whether those are minor changes that occur regularly or major changes that occur occasionally