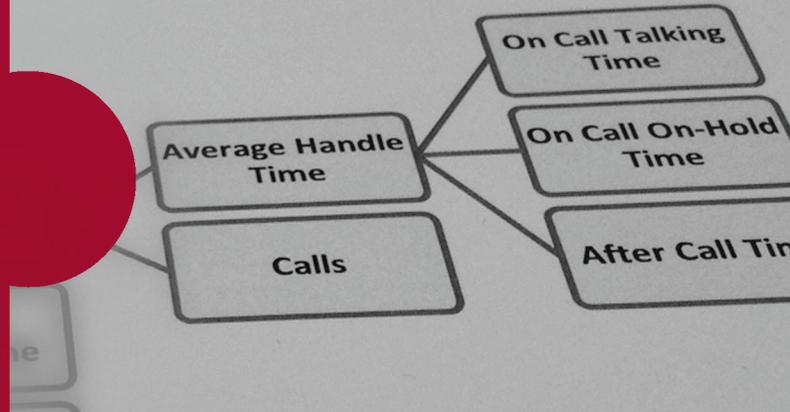


# HOW TO MEASURE UTILIZATION IN A CONTACT CENTRE



INSIGHT REPORT on Contact Centre and  
Multi-Channel Benchmarking

JANUARY 2017

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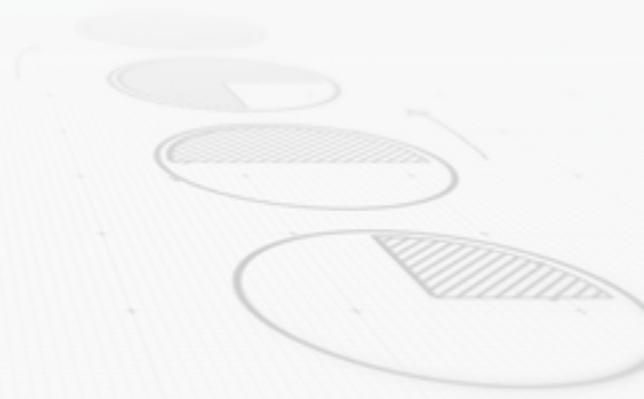
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## INTRODUCTION

In today's economic landscape, companies must continually hone their offering in order to remain competitive. Within a Contact Centre environment, utilization is integral to this evolution. With better utilization, companies are able to improve customer service and satisfaction, reduce operating costs, increase employee engagement and grow top-line revenues.

To achieve and maintain improved results, it is important to define utilization and understand the activities that drive it. This insight report defines Contact Centre utilization, identifies key activity categories and shares select utilization benchmark values from The Burnie Group's ongoing Contact Centre and Multi-Channel Benchmark.

## DEFINING "UTILIZATION" IN A CONTACT CENTRE

A Contact Centre agent's primary task is handling customer interactions. This is where the agent adds value to the company. At The Burnie Group, when we measure utilization in a Contact Centre we focus primarily on the interactions taking place between customers and agents. However, this is not the only area contributing to an efficient Contact Centre environment, as we will explain in a subsequent section.

The Burnie Group has developed a proprietary metric called the *Customer Assistance Ratio™*, or *CAR*, to reflect the utilization of a Contact Centre. The *CAR* represents how much paid agent time is spent handling customer calls. The calculation is:



### ⌚ AVERAGE HANDLE TIME

The length of the average call an agent has with a customer.

### ⌚ WHY WE DO NOT USE IT

Average handle time is not an accurate benchmark due to significant industry-specific variances which influence call time. The major variables that influence average handle time include:

#### Business segment

The average handle time for calls related to everyday banking, where common offerings apply to most customers, is very different than calls to wealth management organizations providing tailored services and products.

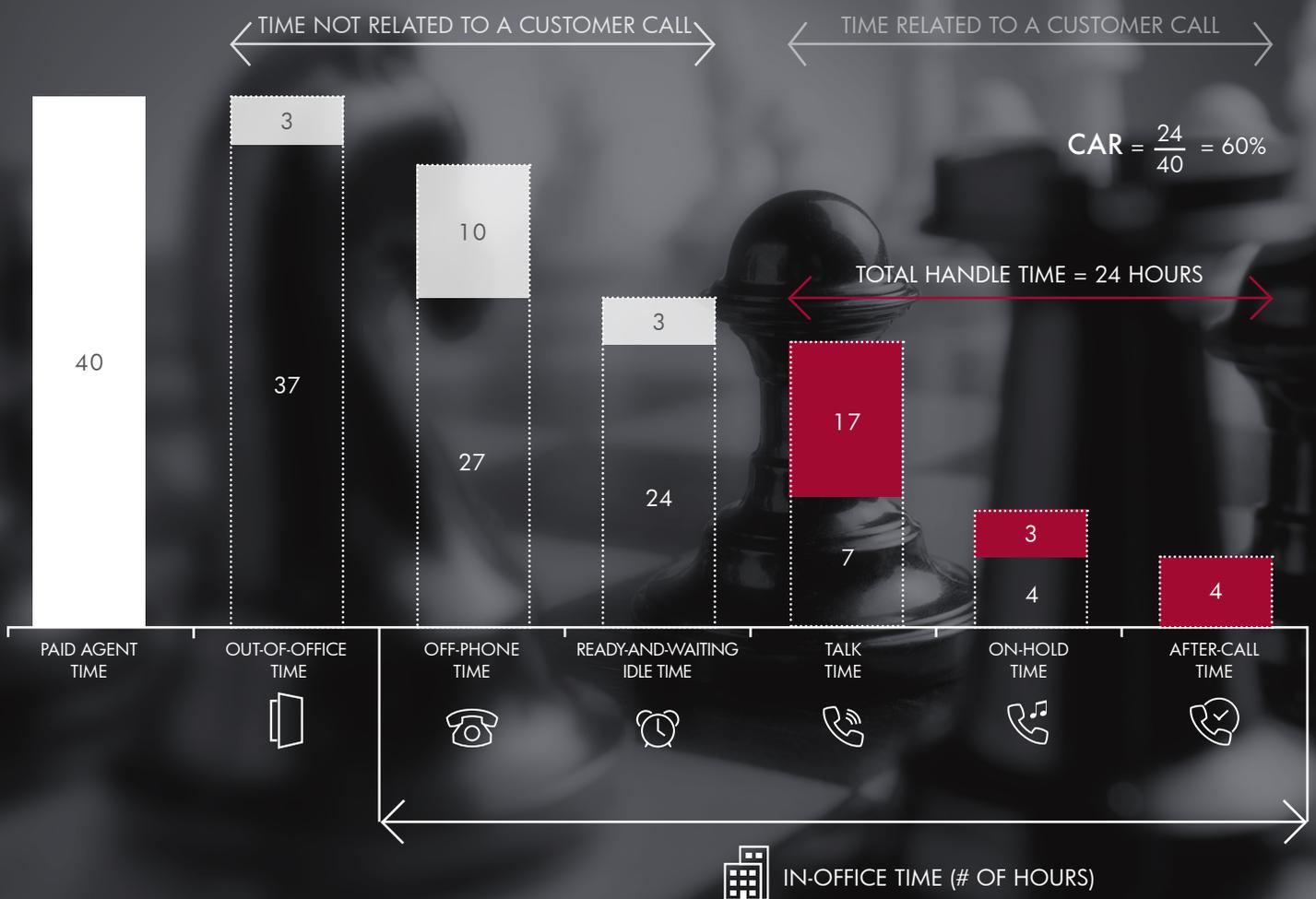
#### Customer interaction model

A personalized interaction model resulting in high satisfaction rates requires longer average handle times than a "1-2-3-and-done" approach.

## HOW DO CONTACT CENTRE AGENTS SPEND THEIR TIME?

In order to understand the CAR and Total Handle Time, we need to first identify all the activities that occur during an agent's work hours. Below is an illustration of the typical activities an agent experiences during a regular work week.

EXHIBIT 1 | Breakdown of an Agent's Work Week by Activity



We classify time into two categories: Out-of-office time and In-office time.



**OUT-OF-OFFICE TIME** is vacation, sick, short/long-term disability, holidays, personal time off, etc.



**IN-OFFICE TIME** includes off-phone time and on-phone time elements. Below are the five elements that make up in-office time.



#### OFF-PHONE TIME

This includes meetings, huddles, training sessions, coaching, breaks, etc.



#### READY-AND-WAITING IDLE TIME

This includes the time an agent is not engaged and is waiting for the next customer to call.



#### TALK TIME

Time an agent spends on the phone talking with a customer.



#### ON-HOLD TIME

Time an agent spends keeping a customer on hold while he/she clarifies particular aspects related to the call (e.g., with a manager, team expert, colleagues, etc.).

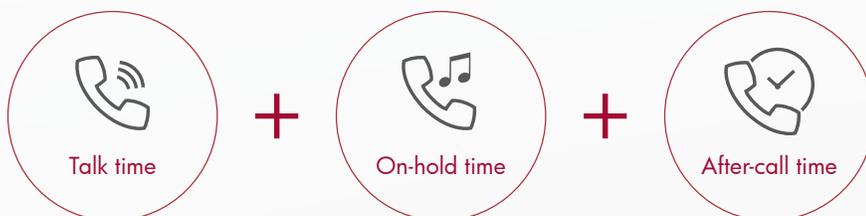


#### AFTER-CALL TIME

Time an agent spends after a call, completing all matters related to the call (e.g., running necessary checks, documenting customer interaction, etc.).

## WHAT IS TOTAL HANDLE TIME?

Total Handle Time is the time spent handling customer calls. It is an important part of our formula for CAR. Total Handle Time can be calculated as follows:



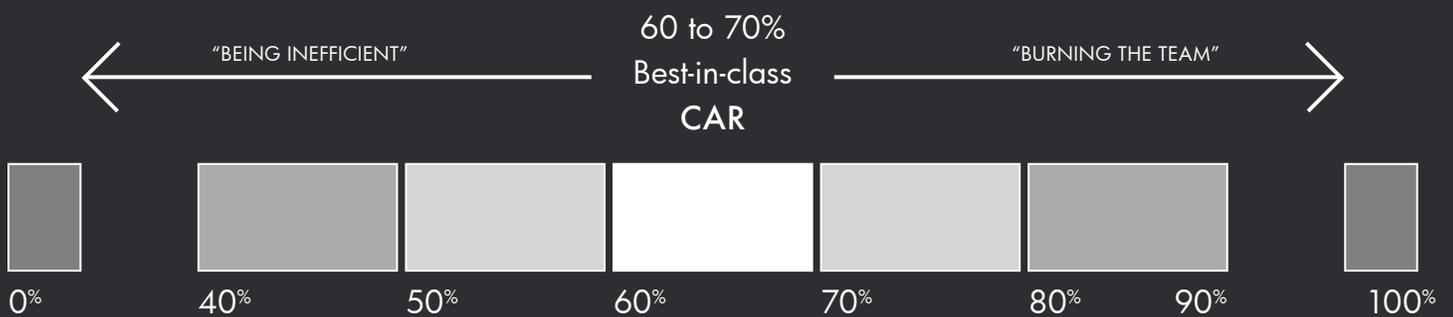
These three components of Total Handle Time are necessary to handle a call.

From the utilization perspective the time it takes to serve the customer includes talk time, on-hold time and also after-call time. Thus there is no changes in utilization by moving work between these three categories. From a productivity stand point however, this is more nuanced and debatable.

## WHAT IS AN IDEAL CAR FOR A CONTACT CENTRE?

We believe that the “sweet range” for CAR is between 60% and 70% if an organization wants to operate in a sustainable way (e.g. offer great customer experience while staying efficient and keeping high employee engagement).

EXHIBIT 2 | Moving Outside of the “Sweet” Range for Customer Assistance Ratio



BEING IN THE “SWEET RANGE” IS USUALLY THE RESULT OF:

- ① Efficient use of agents (e.g. high occupancy).
- ② Strong agent satisfaction (made apparent by fewer “sick days”, less disability time and high scores in employee satisfaction surveys).
- ③ Meaningful development and guidance for agents (e.g. training and coaching sessions, internal meetings, etc.).

The higher the CAR, the more efficient the Contact Centre agents are. That being said, it is important to acknowledge some “utilization loss” in each category. Some are avoidable (e.g. overstaffing leading to high ready- and-waiting idle time), and some unavoidable (e.g. vacations, statutory holidays). Some are even desired (e.g. training and personal development meetings calculated into off-phone time).

Going beyond this range may drive higher utilization in the short term, but will quickly negatively affect employee morale and satisfaction resulting in an overall utilization loss.

### MEASURING QUALITY VERSUS UTILIZATION

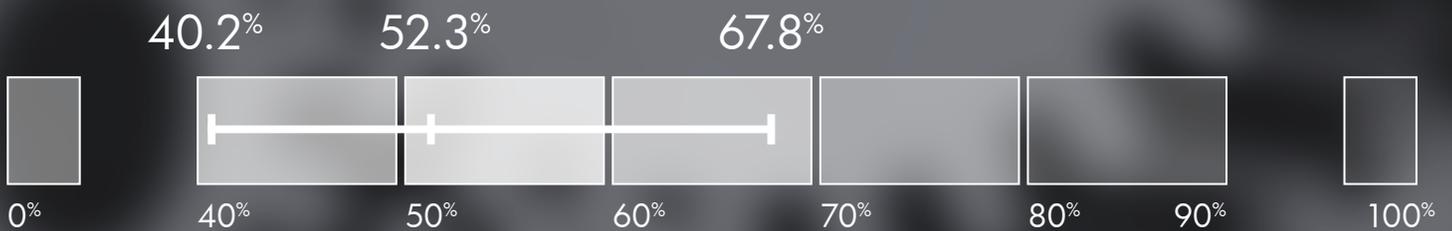
The CAR does not describe the quality of output delivered to customers by agents. That is why it is important to track this metric in addition to customer satisfaction (e.g., via Net Promoter Score surveys) and repeat calls (e.g., via First Call Resolution).

## BANKING AND INSURANCE BENCHMARKS

### BANKING

Our Banking Contact Centre Benchmark (covering both retail and business banking) suggests that Contact Centre queues in this industry have a median **CAR** of 52.3%. Meaning, on average, there is a lot of room for improvement. Best-in-class banking Contact Centre queues reached a **CAR** of nearly 68%.

EXHIBIT 3 | Customer Assistance Ratio Benchmark Results for Banking



Banking benchmark participants who had a low **CAR** typically had higher rates of absenteeism linked to short-term disability and/or sick days and higher attrition rates. Lower **CAR** can also indicate higher off-phone time (e.g. too much time spent in meetings or breaks) and/or higher than necessary ready-and-waiting idle time (e.g. due to poor resource planning).

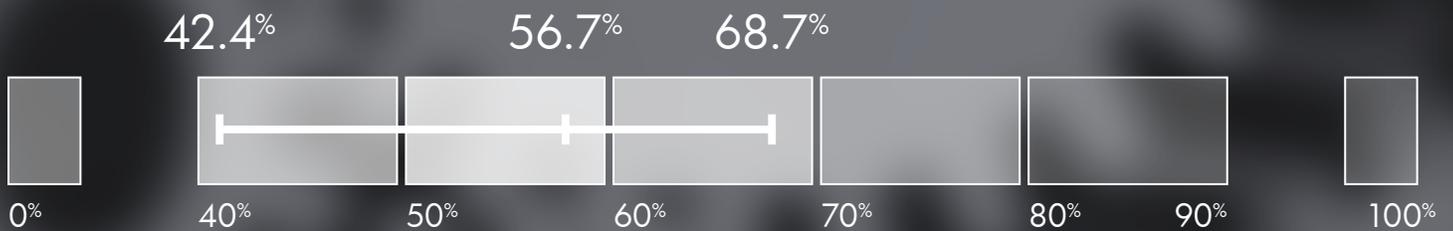
**CAR** is also a good measure to track utilization over time. Call-centres are among the most data-rich environments and good managers are often very adept at knowing their metrics (Occupancy, Average Handle Time, Call Volume, Sick-time, etc.). However, even after reciting all their key performance indicators and the change from the previous month, many would struggle with the question “How does our call centre utilization compare month over month?”. It is akin to watching a baseball game where everyone has detailed measures on performance, but nobody knows the score.

A consistently high **CAR** is generally a robust indicator of other successful attributes. A high **CAR** is correlated with high employee engagement. This makes sense as engaged employees often have lower absenteeism, lower attrition (resulting in less off-phone-time for new class training), and fewer unsanctioned breaks. While reducing needed training, huddles and increasing occupancy can temporarily increase a **CAR**, these “pressure-cooker” environments generally result in increased absenteeism, attrition, and unsanctioned breaks that more than offset any short-term gains. The drop in **CAR** may be gradual, but the overall impact on utilization (as well as quality and throughput) are significant.

## INSURANCE

Our Insurers Contact Centre Benchmark demonstrated similar results with a median value of 56.7% and best-in-class queues approaching 69%.

EXHIBIT 4 | Customer Assistance Ratio Benchmark Results for Direct Insurance



Insurance benchmark participants who had a low CAR often had higher off-phone time and/or higher than necessary ready and waiting idle time. In Insurance, proper resource planning plays a significant role due to seasonality and subsequent ability to adjust available capacity (e.g. through different seasons or after major claims resulting from hail, flooding etc.). Similar to the Banking industry, a low CAR can also indicate higher sick and short-term disability rates (though attrition rates are lower than in banking due to the licensing requirements for insurance agents).

## WHY YOUR CONTACT CENTRE SHOULD FOCUS ON CAR

Many organizations focus on increased occupancy and reduction of after-call time believing this will impact overall utilization. However, when asked if utilization has improved, there is no true measure.

CAR is the only true measure of utilization and one of the major contributors of an efficient Contact Centre.

When done right, an efficient Contact Centre delivers a number of strategic benefits crucial to remaining competitive in today's marketplace:



### COMPETITIVE COST POSITION

The ability to deliver quality service at low costs positively impacts a company's bottom line, creating opportunity for higher investments into existing products and services, better talent, future growth, etc.



### BETTER MULTI-CHANNEL OPPORTUNITIES

Efficiency often means simplifying technology, processes and the organizational landscape allowing for easier migration to integrated multi-channel service (e.g. streamlining to one core system vs. three).



### SUPERIOR COST-VALUE OFFERING FOR CUSTOMERS

When time is efficiently allocated and processes are streamlined, financial resources are freed up to implement new value-added services or longer service hours.



### BETTER CUSTOMER EXPERIENCE

Utilization results in better customer experience, for instance, lower waiting times in the phone queue, and fewer errors when handling customer requests or forwarding customer calls.

## ANNUAL BENCHMARK STUDIES

The Burnie Group has produced some of the most comprehensive standards in Contact Centre and multi-channel benchmark studies across various industries exploring nearly a hundred Contact Centre metrics, and operational and technology practices. We benchmark only comparable queues so that participating clients can embed them into their own Contact Centre strategies. To participate in our next benchmark, [contact us](#).

We have extensive experience helping world-class organizations to identify and improve a wide range of operations issues. We help companies understand their Contact Centre and multi-channel performance, define what can be done to improve it and help implement solutions. Visit our website for more information on our [benchmarking program](#).

## ● The Burnie Group

The Burnie Group is an experienced management consulting firm that helps clients design innovative strategies and continuously pursue operations excellence.

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