A Practical Approach to Setting Service Goals

A recent survey performed by the Society of Workforce Planning Professionals (www.SWPP.org) asked various questions related to setting service goals. Some of the more surprising results of that study showed that:

- A large percentage of centers base their service goal on an "industry standard."
- About a third of respondents have had the same service goal for over five years.
- Forty percent measure service goal success by their daily average and another forty percent use a monthly average as their performance number.

This article will explore the wisdom and/or risks of these service practices.

Following the Crowd

Small children often explain undesirable actions they've done by the fact that "everybody is doing it." That statement is likely followed by a parental response of "If everyone jumped off the roof tomorrow, that doesn't mean you should too." Maybe we should listen to those parental voices when it comes to setting a service goal. Just because lots of others are doing something doesn't make it right for you.

Bill Durr said it well in a recent article entitled "Industry Standards…If Only There Were Some." Bill wisely pointed out that there is no such standards body that publishes verified performance measures and there never will be. While we refer to the contact center as an industry, it is incorrect to assume consensus and uniformity where it doesn't really exist. The reality is that each contact center is unique in terms of the value it provides to the enterprise, unique in terms of the skill and knowledge of the management team and unique in terms of the center's culture.

We've yet to find any "industry standards" for speed of answer goals in the call center. There are certainly plenty of benchmarking reports and services that can be purchased, but most of these are questionable at best, and statistically unreliable in most cases. While you may want to review some of these numbers as one of your inputs, it's downright dangerous to rely upon them as fact and industry guideposts. As Will Rogers once said, "It's not what you don't know that's dangerous. It's what you know that ain't so that can hurt you" and this is painfully true as it relates to something as critical as a service goal for your customer call center.

Certainly it's interesting to see what goals other centers have, but try doing your own research for your outward view. Look at what your competitors are doing in the same industry as well as what other "best of class" operations are doing. Your customers may be setting their service expectations based on their last, best service experience, so you may want to set your sights beyond the industry average should you actually be able to find one.

If you feel the need to look outward to gather information, just make sure you look inward too. Input from your customers should be your primary guide, not benchmarking numbers.

Long-Term Service Definitions

Another troubling statistic is the one showing that once a speed of answer goal is set, it generally stays the same for a very long period of time. Your call center is changing, the economy and business market is changing, and your customers' service expectations are changing. So why should your service goal be the same year after year?

Evaluate the service, cost, and productivity tradeoffs of lowering the goal as well as inching it a bit higher. What would the impact be on your customers? Would they notice? Would they care? How much money could you save by lowering it and your staff requirement? Could that money be better spent someplace else? Or would you set yourselves apart from the competition if you raised it substantially?

Dangers of Averages

Another troubling issue with service goals and reporting performance numbers is that most call centers focus on the average number for the day. And a surprising number use the monthly average as the target number.

The danger of averaging can be illustrated well with the analogy of someone having his head in the oven and feet in the refrigerator. The average temperature may be alright, but the two extremes can be very uncomfortable. Reporting service as averages may be hiding some dangerous extremes, covering up some real problems in the call center as well.

Most centers have several periods of the day that are woefully understaffed and service is horrendous. On the other hand, there may be some light periods of the day where staff are scheduled even though the forecast shows significantly fewer calls. Overstaffing at 3pm may result in needless dollars spent for staff and lower productivity numbers. Understaffing at 10am may result in long delays for customers, potential lost revenue, higher telephone costs for longer queue times, and overworked staff. When averaged together, the numbers look fine, but the fact remains that there are serious problems for each hour.

Therefore, it's the goal of workforce management to get the exact right number of staff in place every single hour of the day. And every goal worth having deserves a performance measure to tell how well you're meeting the goal. Using an average for the day (or worse yet an average for the month) provides no insight as to how that goal is being met.

Below is an example where service level is reported as either the cumulative average for the day, or as a weighted average number based on the percentage distribution of calls. Using the numbers in the table, the service level could either be reported as an overall 82% in 20 seconds by using simple averaging, or as 79% if using a weighted average approach. If our goal is a service level of 80% in 20 seconds, then either way we're very close to the goal.

Time of Day	Call Volume	Daily %	SL (in 20 sec)
6:00 – 7:00	85	4.5%	**100%**
7:00 – 8:00	90	5.0%	**95%**
8:00 – 9:00	95	5.5%	**95%**
9:00 – 10:00	145	8.0%	**90%**
10:00 – 11:00	185	10.0%	**75%**
11:00 – 12:00	195	10.5%	**70%**
12:00 – 1:00	165	9.0%	**80%**
1:00 – 2:00	185	10.0%	**80%**
2:00 – 3:00	220	12.0%	**65%**
3:00 – 4:00	210	11.0%	**70%**
4:00 – 5:00	145	8.0%	**80%**
5:00 – 6:00	125	6.5%	**85%**

However, a better goal might be to measure what percentage of the hours of the day we met the target. In this case, the goal was only met in two-thirds of the periods. Many call centers are adding this measure of service consistency to the measure of service averages for the day. And if we consider the concept that overstaffing is just as bad as understaffing, then we might look for periods that were within a reasonable band around the goal, such as no lower than 75% or higher than 85%. In that case, the goal is only met 5 of the 12 periods. This accepts that one or two percent below the goal is not worthy of being considered a failure as well.

Setting Service Goals

Defining a speed of answer or service objective is an important part of the workforce management process as it has a direct influence on how many staff will be needed each half-hour. There is absolutely no such thing as an "industry standard" for speed of service. Each call center's service goal should be based on many different factors, including the following:

Customer expectations. First and foremost, the customer contact strategy, including the setting of speed of answer goals, should be based on customer needs and expectations. Customers' expectations are today being based on a myriad of service experiences, and it is important to consider these in defining a service goal to meet customer expectations. Customers should be surveyed regularly to see what their service expectations are in terms of both quality and speed of service. It may be appropriate to have faster speed of answer goals for some customers than for others rather than having one goal that applies to all calls.

Competitive influences. Certainly, most call centers will want to also compare against what similar companies are doing and how quickly they are responding to customer contacts. To some degree, the call center may base its speed of answer goals upon how captive its customer base is. If part of a highly competitive industry where callers have many options for service, the call center may wish to set more aggressive service goals, while those with a monopoly on a product or service may settle for less strenuous ones. Even in a single center, multiple situations may exist. For example, an automobile insurance company may want fast speed of answer on the sales lines, but not such an expensive goal for staffing in the claims processing department.

Market position and branding. In some cases, speed of answer may support the overall brand image and reputation of a company. Those organizations known for speedy service may wish to set high service level goals to support the company's brand image.

Budgetary guidelines. Ideally, service objectives should drive staffing requirements and the budget. But in reality, service objectives may be driven to some degree by available budget dollars. While a call center might like to deliver a 90% in 10 seconds speed of answer, there may simply be insufficient budget to support such a high goal, and therefore the objectives should be set to a level that is actually attainable by the center.

There are many factors that should be considered in establishing a speed of answer goal and careful consideration should be given to this number since it dictates resource requirements and a significant portion of the call center's operating budget. Careful thought should be given to this objective on a regular basis to ensure the objectives make sense in terms of budget dollars, customer expectations, and support of the company's mission and goals. Too often call centers set service goals and then never think about them again even as the business grows and changes. It is recommended that service objectives be evaluated at least every two years, with an annual review being the preferred timeframe.