

Real-Time Coaching Builds World-Class Contact Centers

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Executive Summary

Coaching contact center agents yields impressive results – it enhances the customer experience and empowers supervisors and agents. It is the training method preferred by agents and yields timely and quantifiable benefits. Real-time coaching has the added advantage of driving immediate improvements in agent performance and productivity while enhancing call quality and customer satisfaction. Agents want to do a great job; coaching empowers them to perform. This white paper presents the capabilities and benefits of real-time coaching. It describes preferred coaching methods and gives your company the best practices for optimizing the performance of your contact center.

Coaching Contributes to Contact Center Goals

Contact center managers are required to meet numerous goals and objectives at the enterprise, department and peer level. See Figure 1. In a typical company, contact centers handle anywhere from 30% to 70% of all customer interactions and are under the increasingly vigilant scrutiny of sales, marketing and the executive suite.

Figure 1: Contact Center Goals



Source: DMG Consulting LLC

Contact centers, whether engaged in service, sales, collections, technical support, human resources or fraud prevention, are people-intensive organizations that require tools to improve their effectiveness. In this environment, where 60% to 80% of costs are staff related – salaries and benefits, hiring and training cost, agent attrition expenses – contact center managers welcome applications that help them reduce their staff-related expenses, particularly if they also improve productivity, quality and customer satisfaction.

Coaching Improves Contact Center Performance

Contact center coaching applications deliver to these promises, as do all of the best systems used in contact centers. Coaching tools give supervisors a way to rapidly apply lessons taught in training or quality assurance sessions. They are also an automated method for efficiently communicating with agents in real or near-real time.

Coaching tools help contact center managers achieve many of their goals, including:

1. **Reducing costs** – Coaching reduces talk, work and hold time by providing agents the information required to handle calls and the communications skills to address them more rapidly without having to ask others for assistance. This results in a greater first call resolution rate, which decreases the volume of call backs. Coaching also increases the productivity of supervisors and trainers by giving them a tool to rapidly and effectively communicate with agents, facilitating more frequent and consistent agent coaching.
2. **Increasing productivity** – Coaching enables supervisors and trainers to communicate rapidly and easily with agents, giving them more time to spend on service quality.
3. **Increasing revenue** – Coaching is a very effective method for teaching agents how to sell and up-sell. Sharing best practice clips and running simulations with test calls in a protected environment gives sales staff an opportunity to perfect their pitch, to learn to recognize new leads and to develop expertise in overcoming objections.
4. **Improving the customer experience and building loyalty** – Coaching gives agents the information they need to confidently address customer inquiries properly and completely, in the first call. By improving the first call resolution rate, coaching increases customer satisfaction, as few customers welcome the need to call a second time to get a problem resolved. Doing things right inspires customer confidence, improves customer perception and builds loyalty, as customers have little reason to look for alternatives.
5. **Improving contact center performance** – Contributions from coaching improve the overall effectiveness and quality of the contact center.

Primary Coaching Methods

There has been substantial innovation in coaching applications over the past two years. Coaching applications are tactical tools that allow supervisors to interact with agents in real or near-real

time. These applications extend the reach and impact of supervisors/trainers/quality assurance (QA) specialists by giving them an easy-to-use approach for communicating with their staff on a timely basis. Unlike eLearning, coaching applications require no special training or software development expertise.

Coaching Improves Agent Satisfaction

Coaching is a very effective training approach and likely the best method for agents to learn to handle service interactions properly. Coaching deals with actual transactions in real or near-real time while a call is still fresh in the mind of the agent. (Agents who typically handle 100 – 200 calls per day are less likely to recall transactions that happened a few days before.) Coaching is practical and tactical, not theoretical. It addresses real and specific situations in context, allowing agents to immediately take corrective action or to apply a new approach. This way, when agents are taught a new skill, they can apply it immediately, which is a great way to learn, particularly for adults. Automating the coaching process increases its effectiveness and efficiency.

There are five primary methods being used in the new coaching applications, as seen in Figure 2 below.

Figure 2: Coaching Methods

Method	Description	Pros and Cons
Broadcast approach	Disseminating a message (regarding a new product, marketing program, process, training issue or contact center communication) to one or more agents, teams, contact centers or sites. The coaching application has an easy-to-use environment for rapidly creating and issuing the message. It's also designed to allow a supervisor to identify which agents opened the message and those who did not.	Least expensive and effective method of communicating with agents. Ensures timely and reliable distribution of information.
Personalized coaching	A supervisor, trainer or QA specialist who has identified an area where an agent needs to improve his or her performance creates content pertaining to the situation. The supervisor then works on a one-to-one basis with the agent by providing directed support to address the specific performance need.	Highly effective, but most costly coaching method. Places large time demands on supervisory staff.
Best practice clips	A supervisor, trainer or QA specialist hears an outstanding call. The call – voice and screen – is captured and used to create a best practice clip. The supervisor inserts written and verbal comments so that agents will know what is exemplary in the call. The entire clip is created and issued in 5 to 15 minutes. The supervisor can monitor which agents listen to the clip. The more advanced coaching applications allow agents to send comments back to the supervisor, creating two-way conversations. (Note: Some organizations also use this method of coaching to distribute clips that illustrate practices to avoid. If	Cost effective approach for rapidly sharing tactical information with agents. Enables recognition of service or call excellence. Lacks opportunity for hands-on practice.

Method	Description	Pros and Cons
	this approach is used, caution and discretion is recommended to avoid potential Human Resource issues.)	
Simulation coaching	In a protected environment, trainees are presented with test (simulated) calls that are intended to mimic a live environment. The coaching application uses speech recognition to determine if the trainee is handling the call properly and provides verbal comments when a call segment is mishandled. The application scores the trainee's performance, which can be used in agent evaluations.	Highly cost effective approach for training agents to handle live calls with no customer impact or risk and few dedicated resources. Very positive for agents, as they can practice at their own speed. Sessions can be readily repeated. Provides directed and actionable feedback on a real-time basis, in a protected training environment.
Real-time coaching	The coaching application uses speech recognition to determine if agents are adhering to internal policies and procedures. If they are not, the application will pop up a message on the agent's screen letting them know what they need to do differently to avoid liability risks, improve their performance (service or sales) and to provide an outstanding customer experience.	Fully automated real-time approach is the most effective and productive form of agent coaching. It provides non-disruptive prompts or corrective action while the customer is still on the line, enabling the organization to improve call quality, increase first call resolution and reduce call backs and complaints. Doing things right the first time and responding to callers' needs results in a better customer experience and builds loyalty, as customers will have no reason to go elsewhere. It's also highly beneficial for agents and supervisors.

The benefits of coaching for agents, supervisors and customers increase with each of these methods. It's great to have an automated process to broadcast a message (such as tips on handling inquiries about a new marketing campaign or competitive situation), but even better if supervisors can see which agents have read the message and are able to measure how it impacts agent performance. Personalized messages are great and highly effective, but unbearably expensive because they required a dedicated session between an agent and a supervisor or trainer. Best practice clips are great for providing real examples of the right way to handle inquiries, as long as they can be issued on a timely basis, reviewed by the staff and designed to have a lasting impact. Best practice clips can also be used to recognize and reward outstanding agent performance.

Simulation coaching gives agents and the enterprise an opportunity to test skills in real life situations before they are needed to deal with live customers. It gives agents a chance to see how they can apply the information shared in training classes, eLearning or coaching sessions. Before the advent of simulation coaching applications, enterprises generally had their agents do practice calls with experienced agents sitting by their side. While this got the job done, it is an expensive approach that puts the enterprise at risk of upsetting the customer and even the trainee. (It is quite unsettling for both the agent and the customer when a senior agent has to burst into a call and take it over.)

The most effective coaching applications incorporate the features and capabilities of all four methods and provide a mechanism for conducting coaching in real time.

How Real-Time Coaching Works

Real-time coaching is an emerging application that literally listens to agents as they handle customer calls and notifies them via screen pop-ups when they make a mistake or miss a step. These applications use speech recognition technology to monitor how agents handle their calls. Real-time coaching is very effective because it enables agents to take corrective action while the customer is still on the line and generally before the customer knows there is a problem.

Real-Time Coaching Example

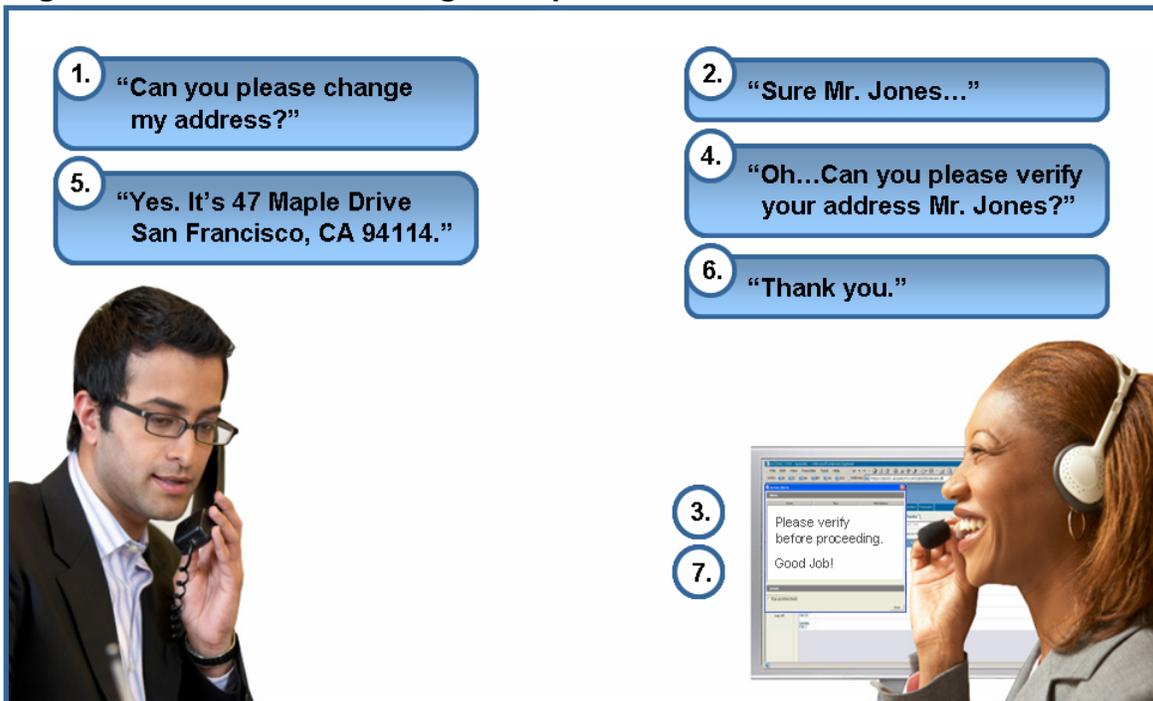
Figure 3 presents an example of how a real-time coaching application works. In this case, a customer calls and asks an agent to change his address. As the agent is new, she neglects to ask the customer to verify his previous address and/or other information before proceeding. When the agent misses this critical step, the coaching application pops up a reminder on her screen asking her to verify the customer's previous address. The agent then does so and then moves onto the next step in the change of address process.

The ramifications of missing the verification step are large and costly. As this is a credit card account, lack of verification could expose the financial institution and customer to fraud. As the fraud would be a direct result of a bank mistake, this subjects the bank to significant liability exposure, in addition to any fraud losses, if the customer were ever to find out about the error. The credit card company would have a justifiably unhappy customer. Making matters worse, this mistake could easily expose the customer to other fraudulent activities. Even if it didn't, it would likely cause the customer to take his business elsewhere and share his bad experience with friends, family and anyone who would listen – exactly what the credit card company wants to avoid.

If the verification mistake happened to be identified during the QA process, the organization would have to make a tough decision – it could attempt to contact the customer to do the

verification or ignore the mistake and hope that it really was the customer calling to make the request. If a bank call to the customer indicated that the request was fraudulent, the very act of reaching out could be seen as an admission of a mistake, potentially opening the bank up to a lawsuit. On the other hand, if the bank does not proactively call the customer, it's unlikely that the customer will ever find out about the mistake. But if revealed, the error could be a public relations nightmare – this act could be presented as one of gross negligence or intentional wrongdoing, even though it was simply incompetence on the part of an agent. Neither option is appealing, as both expose the bank to significant losses, bad PR, and loss of consumer confidence. Real-time coaching applications prevent the bank from being exposed to these types of mistakes and risks – problems that can be avoided by carefully monitoring agent calls and making sure that agents cover all bases before they get off the phone with a customer.

Figure 3: Real-Time Coaching Example



Doing it Right the First Time

Real-time coaching applications can address complex, multi-segmented calls and ensure that agents do things right most of the time. (These applications are not perfect and depend upon the organization for set-up. Mistakes will happen and there will be instances where the coaching application has not been trained to identify certain problem situations.)

Real-time coaching applications optimize the performance of contact centers and their agents by preventing mistakes from happening. These applications:

1. Take corrective action in real time so that there is no latency and agents can correct mistakes on the spot. This eliminates the need for enterprises to contact their customers to fix errors.
2. Increase customer satisfaction by improving the consistency of agent responses. This avoids giving customers wrong or incomplete information – reasons to attrite.
3. Serve as a highly effective training tool for agents by pointing out mistakes and how to fix them “in the moment,” while they are fresh in the mind of the agent and before the mistake becomes embedded in the agent’s routine.
4. Track mistakes made by agents and provide a reminder before they make a similar error.
5. Require minimal supervisory time beyond set-up.
6. Provide extensive reporting regarding coached events that can be shared with training and QA organizations.

The ROI from Coaching

Coaching is a tactical activity that yields rapid and quantifiable benefits for enterprises, agents, supervisors and customers. Real-time coaching further increases the benefits for enterprises and their contact centers, putting them on the path to highly differentiated service and giving them a strategic advantage.

A well-implemented manual coaching initiative generally pays for itself in less than one year. Coaching automation increases the speed of payback by 25% to 75%, depending on the type of automation used. This means that the payback will be approximately 3 to 6 months with the right automation. See Figure 4.

Figure 4: Coaching Benefits

Savings/Benefits	Hard \$ Savings	Soft \$ Savings
Staff		
Reduction in agents	X	
Reduction in supervisory/administration overhead		X
Increase in agent and supervisor satisfaction		X
Cost		
Increase in first call resolution (FCR)	X	
Reduction in call volume	X	
Reduction in agent talk time	X	
Reduction in hold time	X	
Reduction in line charges	X	
Reduction in hiring and training costs	X	
Revenue		
Increased sales	X	
Increased profit	X	
Decreased cost of sales	X	
Customer Experience		
Improved customer experience		X
Improved customer loyalty		X

Source: DMG Consulting LLC

Coaching benefits fall into two categories, hard benefits that can be readily measured and soft ones, which can be more beneficial than hard ones, but are difficult to quantify. It's important to consider both benefit categories when selecting a coaching application, but use only the quantifiable categories when building a return on investment (ROI) analysis to get the initiative approved.

Hard Benefits

In service organizations, coaching reduces staffing requirements by teaching agents how to handle calls accurately during the first conversation. This increases the first call resolution rate and decreases call backs. By giving agents the skills and tips to handle calls and screen navigation effectively, it also reduces the average handle time. This results in reduced line charges and reductions in hiring and training (as fewer agents are required).

On the sales side, coaching is a very effective method for teaching agents to improve their sales techniques and increasing the sales closure rate. This has a direct impact on revenue and profits and reduces the cost of sales. Fewer calls will be required to realize a greater volume of sales.

Coaching yields other quantifiable benefits, such as helping companies avoid fraud losses, lawsuits and federal fees. If these categories are relevant, they can also be included in an ROI analysis.

Soft Benefits

Coaching applications extend the reach of supervisors and trainers by giving them tools to productively customize and personalize their programs. These applications also use automation to handle tasks that previously required a dedicated resource to sit with a trainee or to conduct QA, as is the case with simulation coaching and real-time coaching, respectively. Supervisors, trainers and QA specialists appreciate these benefits and the relief it gives them from this essential and time consuming task. It also enables them to impact more agents with greater frequency and consistency.

Coaching applications increase agent retention, as employees who have the knowledge to perform their jobs are generally more satisfied feel supported and are less likely to attrite. Agents also appreciate receiving timely information that allows them to provide excellent service and reduces the volume of unhappy and frustrated callers.

Coaching benefits all internal constituents, but the ultimate beneficiaries are customers, who receive better information more quickly. This builds loyalty, as customers who have nothing to complain about are less likely to seek out a new provider or supplier.

Real-Time Coaching Best Practices

The following ten best practices provide guidance for implementing an effective coaching initiative. They address process and systems, as both are necessary to build an effective coaching program that optimizes the performance of trainers, supervisors and agents. A basic coaching program can be implemented without a system – in general, agents welcome feedback (particularly if positive behavior is emphasized as much as areas where improvement is necessary). Coaching automation enables cost effective standardization of the process and consistent feedback – a lot more coaching will get done without tying up supervisors and trainers.

- 1. Integrate coaching with QA** – The impact and benefits of coaching increase when it's integrated with the QA process and application. QA should be used to identify issues that require coaching or to share examples of outstanding performance. The system should then be used to measure the results. This is an iterative process.
- 2. Use coaching application to share information with agents in real or near-real time** – Coaching applications provide a framework for rapidly creating and disseminating information to agents. Supervisors, trainers and QA specialists should take advantage of the organizational features of these applications to communicate with their staff on a

- timely basis (and then use the system to make sure that all agents read their messages). Agents should be trained to check the coaching environment before starting their day and possibly at intervals during the day.
3. **Use coaching application to create best practice examples** – Agents learn from examples. Use the coaching application to create clips of outstanding performance, to recognize excellence and to encourage the right behavior and performance.
 4. **Incorporate voice and written annotations into coaching sessions and create a two-way communication between agents and supervisors** – When creating coaching sessions, capture and use real calls as examples and annotate them with voice and written comments to make sure that agents see and hear the salient points. The better coaching applications allow agents to respond or provide comments back. This invites open communication and fosters collaboration between agents and supervisory staff.
 5. **Use simulation coaching to prepare agents to handle live calls** – Before putting trainees on the phone and under the pressure of handling live customers, prepare them by presenting test calls in a simulated environment. The better simulators use speech recognition technology to notify trainees when they miss a step or do something wrong. This provides personalized coaching without dedicated supervisory or training resources.
 6. **Coach on performance strengths as well as weaknesses** – Contact center managers must notify agents when they make mistakes so that they will not make them again. But agents will be more receptive to hearing about areas where they need improvement and motivated to improve their performance if supervisors also take the time to notice, recognize and share what they are doing well.
 7. **Coach with examples to reinforce outstanding performance and reward great performers** – Most people want to do a good job, but sometimes are not sure of the best way to handle challenging situations. Contact center morale and agent retention will improve if examples of outstanding performance are shared with the staff. This process also underscores the concept that departmental quality monitoring objectives and goals are realistic and attainable. Service quality and customer satisfaction will also improve.
 8. **Tailor coaching sessions to individual agents or groups** – Personalized coaching that targets the specific needs of one or more agents is highly effective. Coaching applications that are integrated with QA applications make it possible to identify which agents, teams or groups require different types of training.
 9. **Follow up and reinforce coaching through QA** – After a topic is addressed via a coaching session, measure the impact of the session through QA to ensure that all agents “got it.” When necessary, either repeat or modify a coaching session or create a new one to assist the staff in learning and incorporating the necessary skills.
 10. **Track and report the benefits of the coaching application** – Conduct a baseline analysis of the contact center’s performance before implementing the coaching

application and then again, three months later. Be sure to share success with managers, agents, and other contact centers within the enterprise.

Is a Coaching Application Right for Your Contact Center?

Use this checklist to determine if your company will benefit from a coaching application.

Yes No

1. Do you provide frequent and consistent coaching on performance strengths and opportunities to your agents?
2. Do you need to improve the efficiency and effectiveness of your coaching and supervisory staff?
3. Do you want to foster collaboration between supervisors and agents?
4. Would you like to increase agent satisfaction and reduce agent attrition?
5. Do you need real or near-real time distribution of information, bulletins or updates to contact center staff?
6. Would you like the ability to rapidly create personalized coaching sessions that are targeted to each agent's specific needs?
7. Would sharing best practice examples of real calls with agents improve their performance and increase their satisfaction?
8. Would you find it beneficial to use a simulator that can easily create realistic examples of customer interactions to reduce training time and improve its effectiveness?
9. Would you like to automatically track coaching sessions and monitor their effect on agent performance?
10. Do you need to funnel issues identified in the quality monitoring process to your training department?
11. Is your company willing to make investments (spend money) on contact center training, if it has a proven ROI?
12. Are you willing to invest in a proactive coaching solution that prevents mistakes from happening?
13. Does your company believe that the contact center is an essential contributor in building outstanding relationships with your customers, enhancing your brand and improving customer loyalty?

If you answered “yes” to eight or more of these questions, your organization should strongly consider using a coaching application to improve your contact center’s performance and efficiency, increase agent and supervisor satisfaction and improve the customer experience. If you answered “no” to more than five of these questions, then training and coaching are not currently a priority for your company. However, we suggest that you revisit this vital function when funding allows.

If you answered “yes” to the last three questions, your organization should consider making an investment in real-time coaching and simulation coaching to improve training in your contact center.

In Summary

Coaching is an invaluable process that should be adopted by all contact centers because it is the most effective form of training, particularly when information is shared in real or near-real time. The new breed of contact center coaching applications is designed to make it easy for supervisors to rapidly create, customize, distribute, track and measure the effectiveness of these initiatives. Coaching applications that are integrated with a QA system create a closed loop process for monitoring agent improvement and coaching effectiveness without a large investment of supervisory time. Simulation coaching adds a new dimension to employee training by providing agents with automated and interactive practice sessions to reinforce their new lessons without requiring trainer support. The emerging real-time coaching applications enhance agent performance by proactively preventing them from making errors. Coaching is a tactical process that improves the customer experience, increases efficiency, enhances agent loyalty and gives your enterprise a strategic service advantage.

About the Author

Donna Fluss is the founder and Principal of DMG Consulting LLC, a firm specializing in customer-focused business strategy, operations and technology services for Global 2000 and emerging companies. Ms. Fluss is a recognized thought leader and innovator in CRM, contact center and real-time analytics. For over 23 years, she has helped end users build world-class differentiated contact centers and vendors develop high-value solutions for the market. She is the author of the recently published book, *The Real-Time Contact Center*, and many leading industry reports, including the *2006 Speech Analytics Market Report* and the annual *Quality Management/Liability Recording Product and Market Report*.

More information is available at www.dmgconsult.com.

About the Sponsor

SIVOX is the leading provider of employee performance applications used as agent lifecycle support tools for the hiring, training, coaching and certification of quality assurance and operational best practices. SIVOX Agent Performance Suite users have seen a dramatic improvement in the efficiency and effectiveness with which their agents handle actual calls, resulting in investment paybacks of less than 3 months and a 3-year ROI of 10 to 25 times their investment. The flagship product, SIVOX RealCall lets agents learn by doing, combining a speech-recognition engine that provides real-time coaching. RealCall is in use at over 80 customer call centers employing 125,000 customer contact agents.

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