



# What is workforce management?

## What to measure and how to do it

For our purposes here, the term ‘workforce management (WFM) solution’ refers to software solutions for contact centers, back offices and stores. A WFM solution provides the foundation for high quality customer interactions; it helps planners put the right person with the right skills in the right place at the right time to service a customer, regardless of the customer’s method of contact.

If this definition sounds simplistic, achieving WFM’s objective is not. It requires the development of and adherence to sound processes. Simultaneously satisfying customers, staff and management is

a tricky balancing act for contact center planners, particularly for those still using manual, Excel spreadsheet-driven processes.

With multi-channel interactions proliferating and with the need for multi-skilled, geographically dispersed agents growing, planners today face a challenge of unprecedented complexity, thought contact centers are ripe for improvements. Significant savings and profitability increases are certainly possible with a sophisticated WFM software solution playing an important supporting role.

## Executive summary

This white paper provides a basic understanding of six interconnected WFM processes – forecasting, planning, scheduling, operating, reporting and performance analysis – that are integral to modern customer service operations.

These processes are key to increasing customer satisfaction, enhancing staff satisfaction (translating into lower absenteeism, attrition and training costs) as well as improving efficiency and profitability.

We'll further address some basic questions about automated WFM solutions: e.g. Who is a suitable candidate? Where and when can you see your return on investment (ROI)?

The white paper concludes with some tips about what to consider when contemplating a WFM solution for your contact center. It's not intended to be comprehensive, merely thought-provoking as you start down the road toward WFM optimization.

## Your contact center – your face to the world

The contact center is the heartbeat of many organizations. It is where customers turn for advice, complaints, information or to make purchases. It is where organizations interact with their customers the most and is, in a sense, your organization's face to the world.

How well you service your customers – i.e. ensuring appropriately skilled agent address the customer's need satisfactorily within a pre-defined service level – very much impacts the overall success of your organization.

WFM is an exercise in optimization and an operational philosophy that strives for continuous improvement in customer service, employee satisfaction and operational excellence.

Managing the workforce is a balancing act. You're trying to satisfy the demands of customers, staff and management.

- Customers expect staff availability and quality service;
- Staff expects work-life balance and work satisfaction;
- Management expects efficient, profitable, sustainable operations.

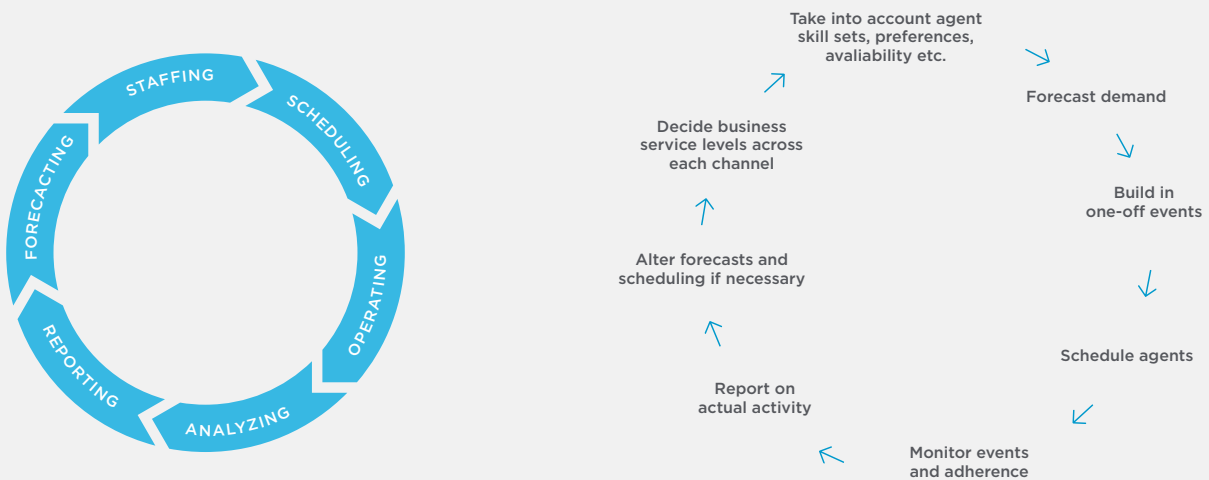
Robust, automated WFM solutions, integrated with your ACD or contact center solution, can help you find that balance and deliver superior customer service, motivated employees and efficient operations.

## WFM processes – a continuous cycle

Most workforce management solutions incorporate vital processes that make the modern customer service operation possible.

It's important to recognize that each of the six processes defined above is dependent on input

from the next. Once up and running, there is no beginning or end. Instead, it is a living, breathing, responsive entity subject to constant change and input from affected organizational units.



## Forecasting – flexibility & accuracy are absolute musts

WFM tools help forecast demand intervals accurately. They predict the peaks and valleys in the volume of calls coming into a contact center throughout the day, week, month, season, sometimes in a minute-by-minute interval. WFM then matches up staffing requirements with that demand, typically four to eighteen months in advance.

**Forecasting is the foundation** of the WFM cycle. Successful forecasts require input: historical contact volumes, handling time, arrival patterns, shrinkage, efficiency and the like. But since volume is largely activity-driven, organizational units must provide insights into their past experience and future plans so the contact center planner can define targets, results, trends, changes, etc.

Responsibility for WFM's usefulness doesn't lie exclusively with the contact center, primarily because call volume is driven in large part by factors that fall into the realm of other organizational functions – e.g. invoicing, sales, IT, HR, marketing and production. Invoicing, for instance, is frequently based on the organization's need to optimize cash flow. Invoicing cycles often spark the peak demand for contact center resources, but they don't always account for contact center staff or seat limitations.

**Let's take an example** a sales-focused contact center. Suppose the company has just launched a new product ad campaign on TV encouraging customers to call your contact center. This will create call volume spikes. The campaign's success is contingent upon the readiness and expertise of the contact center. Without the proper resources on-hand to handle these spikes, potential sales opportunities from eager and ready-to-buy customers could turn into a loss of goodwill. After all, who is in the mood to buy after listening to queue messages over and over again?

A well-designed input process is vital for organizational units dependent on the contact center. Without being prompted, these units need to regularly feed relevant information to the WFM team about planned call drivers. In this sales-focused example, all experiences from previous campaigns should be used as input so forecasts of future contact volumes become successively more accurate. Once the WFM team captures this input forecasters can do their job – with much greater precision.

**Bear in mind** that forecasts must be updated continually until the schedule goes live. Accuracy is key. Without precise input from the other organizational units, the role of the contact center is relegated to little more than a goalkeeper – or worse, a fire fighter.

Sometimes, adverse situations escalate rapidly. Here, flexibility in forecasting is crucial. Forecasts are worthless if you're unable to alter schedules in real-time. Most WFM forecasting capabilities today factor in exceptions – a sudden flood, campaign periods, holidays, training and the like – to calculate the impact on the contact center operation, for instance, the best time to schedule meetings, breaks, training or coaching.

Advanced WFM solutions offer a “what-if” scenario tool to help gauge changes in the workload (described later). Remember, your output is only as good as your input. Effective teamwork between affected organizational units and the WFM team commonly results in higher forecasting accuracy.

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## “What-if” scenarios – for rapid, proactive measure-taking

“What-if” scenario tools offered by some WFM solutions are exceptionally useful for contact center managers. It allows planners to visualize what would happen to service levels before a planned event takes place. Planners can experiment with scenarios without risking operations in the contact center. These scenarios give answers to, for example, how the workload would be impacted in the event:

- Service hours were shifted, shortened or extended;
- A national TV campaign kicks off;
- The service level was raised or lowered by a certain percentage;
- A large number of untrained staff were to begin work simultaneously;

- Yet another new media channel, such as chat, was introduced;
- A major product with a rebate was offered.

Most operational headaches are the result of improper resourcing. Beyond the tactical, intraday management implications, scenario-planning is invaluable for long-term strategic planning.

This is where many advanced WFM solutions are focusing today: helping contact center managers plan their long-term strategies in areas such as budgeting and recruiting. Rather than only being able to react to external forces, these scenarios equip contact center manager to anticipate workloads and resource the operation effectively before events occur.

## Staffing – getting the right people for each type of interaction

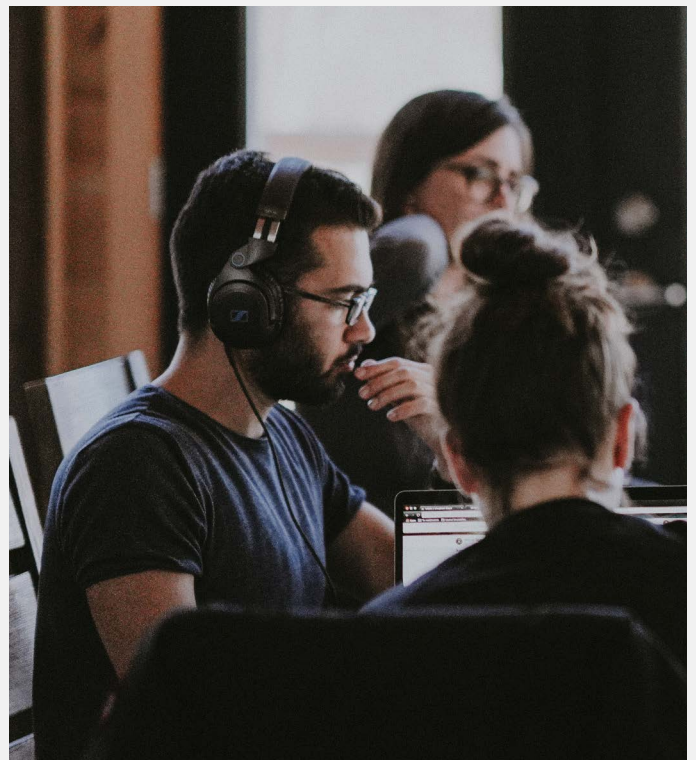
Staffing involves supplying the right headcount, ensuring that your staff possesses the right skills, providing skills training if necessary and establishing the right work rules. Proper staffing ensures adequate coverage for the next three to six months. If HR is involved in these areas, then close and continual collaboration with the contact center management is essential to WFM success.

Given that staff costs account for the majority of overall expenditure in most contact centers - more than the combined cost of telephony, technology, office premises, fittings, rent and utilities - can you afford to not optimize your workforce?

**As for skills training**, all agents need to have good listening skills, basic IT skills and a basic knowledge of the business. Importantly, agents today do not want to be bored; they want more challenging work. Advanced skills are not required for simple work: e.g. directory inquiries, brochure fulfilment or utilities meter reading. However, much of that work is now automated by Web or voice self-service, IVR (Interactive Voice Response) and speech recognition.

The modern service operation requires more diverse, specific skills and a higher level of skills to satisfy customers, skills, such as foreign language proficiency, specific product, customer or technical knowledge and the ability to deal with multi-channel interactions. With the contact center industry expanding rapidly worldwide, recruiting and retaining top staff is a central issue and a priority for leading contact centers.

**Skilled agents demand for greater flexibility in work rules.** Since contact centers tend to offer extended service hours, demands for flexible work rules are



usually higher than those for a regularly scheduled nine-to-five day job. Work rules that interfere with agents’ personal lives serve no-one. Planners need to balance work rule demands in order to minimize unwanted, costly absences and staff attrition.

Planning staff according to call patterns and skills sets boosts service levels and improves first-call resolution. It makes the contact center a more enjoyable place to work. The bottom line? Accurately matching staff to call flow is essential in achieving workforce and cost efficiencies.

# Scheduling – optimization critical

The WFM team is solely entrusted with creating an effective work schedule, often covering the next four to twelve weeks. The schedule is based on the WFM team’s own contact center input.

Manually forecasting the workload and matching it up with the right staff ratio is a complex, arduous and labour-intensive task. In many contact centers today, these manual processes are still slow, inaccurate and inflexible.

What do you envisage happening to the level of accuracy when you add the following variables to the equation?

- Continual absences, holidays, vacation times;
- Multi-channel interactions causing a change in flow patterns;
- Skills levels – i.e. foreign language proficiency, product or customer knowledge, superior written skills for emailing and chatting – ranging typically from eight to nine and up to fifty in large, geographically dispersed contact centers;
- Scheduling time for the associated skills training;
- Staff work-time preferences;
- Scheduling for a multi-site contact center.

**Accuracy, as you might expect,** suffers, leading inevitably to under- or over-staffing, which is detrimental to customers and staff, and it drains your organization financially. In light of the ever-growing complexity of multi-channel interactions and multi-skill requirements, even customer service centers with fewer than 100 seats may benefit greatly from an automated WFM solution.

Agents are not at their most useful when waiting idly by the phone. Neither are they at their most productive when stressed or over-worked. Stress and boredom – the consequences of over-work and under-work – are the two primary reasons given for agents abandoning ship. In fact, agent absenteeism is running rampant at around nine per cent across industries and is increasing. Attrition is reaching alarming rates as well, and organizations are hit hard, paying a fortune to recruit and train replacements – not to mention the cost of covering losses before agents are fully competent.

**This is where a WFM solution** comes into play, creating automated, optimized schedules that cover queues consistently and smoothly.

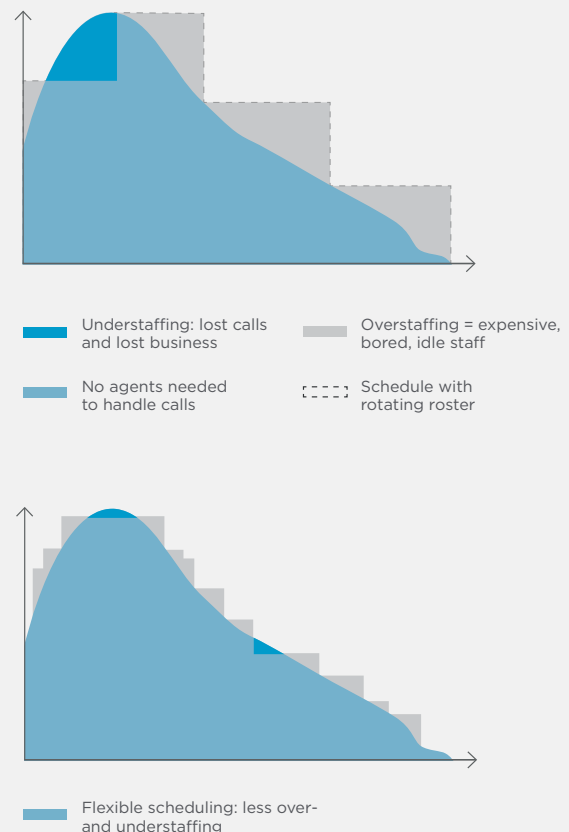
Smoothness means that staff is evenly scheduled throughout the interval, with the resource graph matching the volume curve. Optimal levels of smoothness also give individual agents a better work situation since a smooth workload – even if high – is

less stressful than long, idle periods interspersed with periods of intense work, long queues and irritated customers.

**The line charts** on the next page illustrate the difference between fixed rotations (top) and a customer-service-driven schedule (bottom). Rotating rosters create unwanted over- and under-staffing and inconsistent customer service levels (since these and abandon rates vary during the day). Scheduling agents with individual shifts covers peaks and valleys during the day, week or month, with greater service-level consistency and optimized level of staffing.

Automated WFM solutions precisely, conveniently and rapidly match up agent skills sets to customer needs while taking agent work-time preferences into account. It is not uncommon for agents to expect and be granted 80 per cent of their work-time preferences.

Once the scheduling is complete it doesn’t mean planners have reached job-done. As part of a cycle, scheduling affects the other processes, so continuous re-scheduling may be needed as situations change. For example, agents fall ill, meetings must be attended or new impacting events are reported by other units. Intraday management tools help team leaders take control of their day, making minute adjustments at any interval.



**Accurately calculating the long-term headcount** and effectively scheduling the appropriate skill level to the right agent at the right time cuts down tremendously on under- and over-staffing. Being able to honour the majority of staff work-time preferences and giving ample schedule notice heightens staff morale, lowers attrition rates and produces overall improvements in the quantity and quality of customer interactions.

With an automated WFM solution in place contact center managers can optimize their most valuable and most expensive resource: its staff. The scheduler, whose time previous was consumed by a slow, laborious, manual process which ultimately did not optimize a skilled employee's is perhaps the biggest beneficiary.

#### **Shortcomings of spreadsheets & Erlang C tables.**

Contact center managers of single, voice-only

operations can still rely on experience, a spreadsheet and a set of Erlang C tables to plan staff schedules. Invented by a Dane in 1917, Erlang C tables are calculations based on the number of agents needed in a contact center with a given number of calls per hour, a given average length of a call and an acceptable level of delay in answering the call.

Thought his seems reasonable enough, these calculations have major shortcomings for the modern service operation. They can only assume a steady call rate and a zero abandonment rate; they frequently result in overstaffing; they only take single-skilled "standard" agents into account; they cannot consider priority-call schemes nor all-segmentation strategies, nor can they be applied when scheduling for multi-channel (e.g. e-mail, text and chat) interactions.

## **Operating – or intraday management**

This area has many responsibilities, with WFM representing just one. Operations managers and team leaders are vital to the WFM process as they ensure that the staff follows the plan. Their time perspective ranges from the here-and-now to two weeks ahead. Measures and control points must be established and they need to enable the operation to focus on the right things.

Operations must focus on achieving the targets set for adherence and average handling time (AHT), both

of which are discussed shortly – and report back if the targets are unrealistic.

Automated, intraday management tools help operations managers tremendously by showing in clear visual format the situation at hand, which, when necessary, can be changed at the touch of a button.

Some solutions offer stunning clarity and contrast in their graphics, making the life of the operations manager that much easier.

## **Performance analysis – Adherence and average handling time**

**Adherence**, a critical concept in WFM, basically means measuring the extent to which agents stick to the schedule. In our previous definition, this translates to doing the right things at the right time.

Determining appropriate adherence levels is a key operational responsibility of WFM. It varies among industries and organizations and depends on the mix of tasks. Once realistic levels have been established, adherence must be targeted and measured, with coaching responsibility of achieving targets carried out by team leaders.

Level of adherence is one of the most telling key performance indicators (KPIs) by which agents and team leaders are measured. Operations typically conduct the follow-up here. It would be unrealistic and unfair to expect an adherence of 100 per cent, since scheduling involves human beings that are subject to unexpected circumstances.

#### **Other examples of KPIs:**

- Absenteeism
- Adherence
- Answered calls per scheduled phone/ready hour
- Average after call work
- Average handling time
- Average talk time
- Readiness

**Real-time adherence** allows you to see exactly what is happening, alerts you to deviations from the expected activity and enables you to make changes before problems occur. Put simply, the more you use it, the more accurate your forecasts and schedules become.

**Average handling** time is the other key KPI that must be monitored two-dimensionally, by operations. AHT includes After Call Work (ACW), which is the time the agent do not spend interacting with the customer in real time; instead, they're working on related administrative tasks, such as e-mailing or scanning docs.

Organizations should look for a solution that is simple to understand so staff will feel at ease using it, yet make sure it retains the power and functionality to help their contact center manager understand what has happened or not happened, with the ability to make any necessary changes quickly.

## Reporting – measurable view of success and improvement needs

The WFM team has a key responsibility toward the other managers involved in the previous steps; namely to give feedback, based on all input given and to indicate the anticipated service level.

Reporting is a vital stage in the workforce management process. It provides the contact center with a measurable view of its success in achieving targets. Key standard reports for determining contact center efficiency include calculations on the speed of answer, average talk time, e-mail handling time, per cent of calls abandoned and number of interactions waiting.

The benefit of a standard reporting process is that it allows you to glean relevant information so that performance can be tracked and improved on all

levels from agents and team leaders to resource planners.

Furthermore, armed with statistics and proof, customer satisfaction can be improved and measured and optimal standard service level targets set. Finally, through transparency of performance and fairness, staff satisfaction can be improved significantly.

Organizations using WFM solutions have reported an average reduction in agent scheduling time by a whopping 45 to 90 per cent, an increase in service levels by 10 to 13 per cent, a decrease in payroll costs by 10 to 13 per cent, lowered call abandon rates to 3 per cent (overall call abandonment rates consistently average seven per cent), and a reduction of overtime hours by over 50 per cent.

## WFM solutions – who are they best suited for?

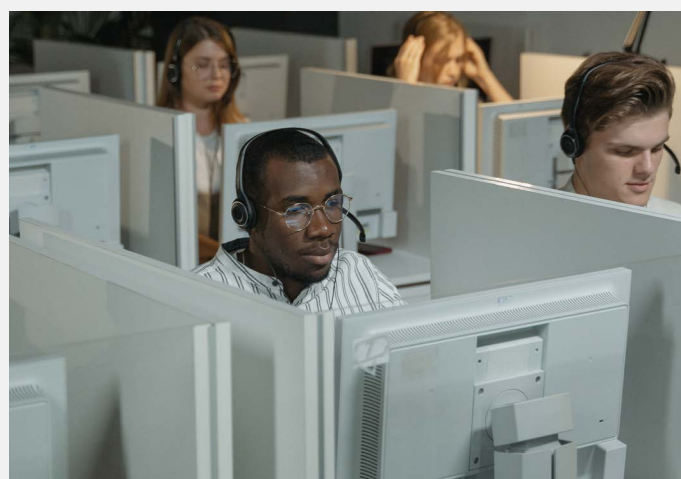
Large customer service operations in outsourcing, financial services, travel, transport, hospitality, telecom, utilities and retailing have been actively using WFM solutions for years. However, in the face of similar challenges, small and medium-sized contact centers are jumping on the bandwagon and joining them in growing numbers.

What challenges or goals are inciting them to turn to a WFM solution for help?

- Heightened skill complexity due to multi-channel contact, causing scheduling headaches;
- Need to decrease employee attrition and raise contact center standards;
- Need for competitiveness with enhanced customer service as a competitive differentiator;
- Higher service levels and the highest quality service offered to best customers to impact customer loyalty and increase revenue-making opportunities, such as cross- and up-selling.

Nowadays, smaller contact centers have the luxury of being able to select among easier-to-use, cost-efficient, Cloud-based solutions that require less training but still offer the functionalities that raise the bar on contact center efficiency and effectiveness.

In view of the growing complexity in contact centers impacted by multi-channel interactions and multi-skill requirements even customer-service operations with fewer than 100 seats may benefit greatly from a WFM solution.



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## Return on investment (ROI): where and when?

While many organizations utilizing WFM solutions may “feel” they’ve become more efficient, the majority are unable to “prove” it. From the outset, before implementing a WFM system, sit down with the WFM solution provider to determine clear, measurable ROI objectives, such as:

- Decreased costs through a reduction in over-staffing;
- Revenue-building through a reduction of understaffing;
- Enhanced agent productivity by more accurately matching agent skills to the task at hand;
- Reduced management costs due to rapid, automated scheduling;
- Lower administrative costs by automating processes e.g. time-off requests;
- Improved productivity with time over to identify

skills shortages/arranging for suitable training;

- Enhanced staff morale, diminished attrition and the associated recruitment & training costs;
- Reduced costs and increased revenue by effectively handling new multi-channel in advance;
- Handling unanticipated situations rapidly and effectively as “what-if” scenarios have created best practices;
- Better service levels, with a decrease in call queuing and abandonment as proof;
- More satisfied customers, stronger loyalty and greater receptiveness to cross- and up-selling.

**What is the average estimated time until break-even on initial expenditure for a WFM solution?** Six to twelve months in most cases, with some organizations reporting two to three months.

## Tips: circumventing common pitfalls

- Get buy-in from those that the solution will affect the most: agents. They may fear big brother is keeping closer tabs on them. Point out the benefits to be gained: fairer distribution of work, the empowering aspects of, for example, requesting specific shifts and holidays, and sensible traffic handling during peak periods.

- Successful implementation requires that functional groups, such as IT, telephony and HR talk with each other to understand one another’s targets.

- Successfully implementing a WFM solution means organizations need to have a clear view of how their processes work; where and when they need to be changed. Sometimes implementing a WFM solution reveal limitations or gaps in existing processes.

- The WFM tool is an application; not the full answer to one’s problems. It can’t do the planning on its own; the initial work still needs to be done: the better the input, the better the output. This, in turn, will successively reduce the amount of necessary fine-tuning.

- Getting a WFM solution up and running in no time is easy; optimizing the business processes with the tool is not. WFM isn’t just about buying software; it is an operational philosophy about change and optimization. This is where the real value can be found. The road to success is rarely a straight line. Be realistic about the time required before reaping the full benefits and rewards of fine-tuning.

- In the early stages of implementing multi-channel interaction or multi-skill training, factor in extra time so that agents have time to adapt. Time per transaction and training session successively decreases as familiarity and know-how increases.

- A proper amount of continuous training is essential, as is reinforcement and testing of the training outcome at intervals. Workforce management systems are usually very feature- rich; it would be a shame if only a small percentage of what has been paid for is used – simply because training was broken off too early.



## Conclusion

The importance of getting the right agent to respond to a customer query cannot be underestimated. Seemingly simple at first glance, we've learned successfully initiating and going through the processes involved to achieve that target is far from easy and requires input from those who use the contact center.

We've looked more closely at each of the six vital processes that make up the WFM cycle – forecasting, staffing, scheduling, operations, performance analysis and reporting – and we've seen that going through those processes correctly, where everyone involved is pulling their weight and sharing input, the chances for WFM success are maximized. With invaluable data provided as input in the cyclical process, WFM solutions offer an enormous opportunity to learn from past successes and failures.

The right WFM solution continually improves customer and staff satisfaction, efficiency and profitability.

Do not be put off by the sheer magnitude of what these advanced solutions offer. For small and medium-sized organizations, there are smaller-scale, world-class, powerful solutions that are easy to learn and are easy to use. Whether on-premise or cloud-based, a WFM solution scalable to your needs constitutes a considerable competitive advantage.

An ounce of prevention is worth more than a pound of cure. Anything worthwhile takes time and effort. Do your homework: put in the time and effort to research and introduce a WFM solution for your contact center today; you'll be reaping the benefits many times over tomorrow and for years to come.

## About Elevêo

Elevêo was formed to provide effective, simplified solutions for complex contact center problems.

Our products provide only features needed to elevate contact center operations & processes, are built using modern frameworks and cloud-native technologies that scale & move with your business.

Elevêo products are birthed from ZOOM International with its rich WFO history and award-winning products, services and reputation for service.