First Contact Resolution: The Performance Driver!

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Today's demanding service environment requires Service Leaders to deliver cost-effective, quality services that meet the dynamic needs of the business. An all important aspect of service delivery is cost. Service Leaders must know their costs at all times and have a strategy to drive down costs and optimize performance. This industry white paper focuses on what must be done in a service organization to drive First Contact Resolution and reap the positive financial, customer satisfaction and productivity benefits.

Rules of the Road

"Excuse me – would you mind holding for a minute while I research something and get back to you?" Five minutes later, the Support analyst returns to a frustrated customer with some excuse on why they cannot resolve the customer's issue – leaving the customer experience in shambles. "I will have to escalate your issue to the 2nd level support team so they can resolve your issue - and I apologize but I do not know when they will be in a position to call you back." Click! What ever happen to properly setting the customer's expectation? What happens if we further complicated this scenario by not offering the customer the ability to help themselves, not having an Operating Level Agreement in place with the 2nd level team or do not support Total Contact Ownership (you answer it; you own it, till resolved to the customers satisfaction).

Implement a "shift-left" service strategy

Let's start with implementing a "shift-left" strategy bringing visibility to repetitive, costly issues - especially the ones being continually escalated (leveraging Root Cause Analysis). Your action plan is to examine all problems and escalations to rationalize processes and push problem resolution to the most-efficient and cost-effective support level – all designed with the customer experience in mind. To do this well you will need to track the percentage of resolved cases by levels (teams) and estimate their work effort involved in the resolution, ensuring you have calculated the cost for all the work effort from all the levels (teams) to accurately depict the true cost of the resolution.

In calculating your cost per call/resolution, it's important to know the resource cost of the other teams (usually depicted in an average hourly wage) as well as the all important Work Effort! With this information in hand, you are well equipped to prove the cost reduction value of your continuous improvement initiatives, justifying investments using financial metrics (ROI, NPV, etc.) and defending empirically against external threats impacting the ecosystem of your support strategy, structure and operations.

A more tactical action plan would involve:

1. Increasing your FCR/First Level Resolution will indeed lower your cost per resolution.
2. Know what types of calls you can resolve at FC.
3. Know which types of calls you escalate (and to which teams).
4. Target call types for FCR that are currently being escalated.
5. Work with L2 managers to provide training, access, and knowledge articles.
6. Begin transitioning all requests, password resets and repetitive “How-To” training through Self-Service Portal (L0).

A Philosophy, more than a metric

To the customer, and let’s face it, their perspective is the only one that matters - if it’s not solved on first contact then the resolution better be timely, transparent, accurate and aligned with expectations. There are five initiatives that are critical to all support centers around this process of providing best practice, cost-effective support that meets or exceeds your customer’s expectations:

1. Solve it on first contact (First Contact Resolution).
2. Own it till resolved, closed when validated by the customer (Total Contact Ownership).
3. Eliminate the problem (Problem Management/Root Cause Analysis).
4. Deflect to another channel (Self-service, email or chat).
5. A balanced approach to measuring performance and cost-effectiveness (Driving Continuous Improvement).

I will cover each one of these five critical components of a successful and sustainable support organization. These five critical components really dictate your Service Leadership philosophy on how you will operate your support center. Certainly there are other areas of focus, but when focused on getting results out of these five best practices, you are guaranteeing a level of support maturity that escapes most organizations. The support model is complex at best and requires service leadership to properly integrate the right people, process and tools to deliver a cost-effective, consistent and quality customer experience.

Solve it on first contact (First Contact Resolution)

The standard for excellence is for a support center to solve roughly between 55% and 75% of its total call volume on the first contact with the customer. First Contact Resolution (FCR) is a driver for excellence in any support organization and has a powerful, positive ripple effect and impact on all of the other performance and financial metrics. All continuous improvement projects based upon increasing customer satisfaction or improving efficiencies to lower cost should focus on delivering a higher level of FCR. At the same time, Root Cause Analysis (RCA) is used as a 'feeder system’ to gauge who is calling, why are they calling, how often they call and what is the impact of the problem (both in support costs and business impact). We leverage the results from root cause to help us indentify content and knowledge gaps, training opportunities, self-service functionality and content and most importantly – targeting call type reduction through problem elimination.

To ensure success with your First Call Resolution, please pay attention to the five Dos of FCR:

1. The customer perception of FCR is most important and requires follow-up, closure, feedback and monitoring.
2. Make FCR reflective of customers' values, expectations and perceptions.
3. FCR results to drive Continuous Improvement (CI) at all levels.
4. Give support professionals the proper training, empowerment, tools to support higher levels of FCR.
5. Market and communicate – reward and recognize FCR contribution, achievements and results

By practicing Total Contact Ownership, where the support professional who took the initial call from the customer owns the issue till resolved, facilitates a number of best practices in delivering end-to-end service management. The customer wants to have their issue resolved on first contact; the support organization wants to be in a position to resolve it on first contact and the L2/L3 don't want to get repetitive, non challenging issues escalated to them. Support organizations need to equip the support professional with the automated tools integrated with best practice workflow, continuous training, a centralized knowledge repository and the commitment of L2/L3 teams to author content/solutions, respond according to priority, resolve in a timely manner, continuously train and provide access to the tools and admin functions that enable FCR.

To continue successful improving your support organization, please DON'T do the following:

1. DON'T focus on FCR alone w/o multiple perspectives.
2. DON'T only measure that It was done (checklist) vs. how was It resolved and what was the experience.
3. DON'T make it self-serving in scope, definition and data collection and manipulation. It's not about "Hitting the numbers."
4. Don't be more concerned with call resolution than issue resolution.
5. DON'T only measure FCR; balance with other quality metrics.

You should use all of your available resources (team members, training, tools, documentation, past incidents, etc.) to facilitate solving our customers issue on the first contact. It leads to a higher level of customer satisfaction, improves image, allows L2 teams to be more responsive and improves customer and support professional productivity.

It's a key driver of continuous improvement and a key determinant of customer satisfaction. If you don't measure it, you can't improve.

Total Contact Ownership - Own it till resolved, closed when validated by the customer!

Excellence is achieved only by the uncompromising pursuit of closure (following through and following up) as discussed in the wonderful case-study book, Execution: The Discipline of Getting Things Done by Larry Bossidy, Ram Charan, and Charles Burck.

The key points in the book are simple, logical, and proven: Ensure there is reality behind your numbers and that you know what processes were involved in generating those numbers/results; sleep well at night knowing you've exhausted all possible resources and ideas to ensure that your results predictable; and work well knowing that your unyielding pursuit of closure puts the rubber to the road.

Let's talk about closure! Successful executives sustain accomplishment by being relentless about closure. Service leaders need to hold their teams accountable for achieving closure with every customer experience, transaction and peer and executive interaction. To put this into action, you have to create an integrated solution that leverages your people, tools and processes effectively. They should easily allow you to:

1. Follow-through and follow-up!
2. Set expectations for a consistent, quality customer experience.
3. Track adherence to Level-2 and Level-3 commitment to assign, respond, and resolve according to priority based on business impact/urgency.
4. Notify the customer about the resolution progress; a top priority within the TCO process.
5. Ensure awareness of the status of the customer's issue – priority/impact/urgency.
6. Ensure through Customer Surveys and Quality Monitoring (QA).

Eliminate the problem (Problem Management/Root Cause Analysis)

This is an essential driver for increasing First Contact Resolution. This is also the driver for almost everything that you will do to improve the delivery of your service to the business (e.g. call deflection, content authoring, training, trend reporting, etc.). You will need to know why your customers are calling and what they are calling about before you can actually implement ways to better serve them. The value of Root Cause Analysis is that is gives us a target at which to aim a laser focus improvement project and measure the results in terms of impact to that targeted area. Root Cause Analysis is a methodology that depends on your ability to extract the call types from your call tracking/problem management system. It also depends very heavily on how you have established your call types, product codes or resolution codes and how your support professionals code the calls as

The Support Professional's Toolkit:

1. **Integrated Customer Service Management Tool**
   - An integrated, out-of the box solution that enables best practice process for seamless, transparent and superior service delivery.
   - Best practice workflow engine.
2. **VoIP Solution**
   - Integrated voice and data to enable the functionality of ACD, IVR and CTI.
3. **Knowledge Management**
   - An integrated Knowledge data base that is supported by a KM strategy and process.
4. **Remote Support**
   - Providing support professionals in any location the ability to access, troubleshoot, diagnose, upgrade, or fix any computing device anywhere around the world – without ever leaving their desks.
5. **Reporting/Dashboards**
   - The ability to know where your team is performing with critical operational metrics – real-time.
6. **IM**
   - IM capabilities to access the various Subject Matter Experts real –time without escalation.

they enter, update and resolve. The hierarchy of your call types, the number of your product codes, the logic surrounding their creation, the training for logging calls by particular call types and the amount of monitoring and quality assurance are all factors in your ability to perform a quality Root Cause Analysis.

In every support environment, there are details that the service leader needs to always know off the top of their heads. Some suggested “Devil Details” to know off the top of your head:

1. Who’s calling, why are they calling, and how well are you handling their calls? How much are you resolving on first contact, who are you escalating to and why haven’t we been trained or supplied knowledge articles to access for resolution on first contact?
2. Who’s not calling, why are they not calling, what are they doing for support, and how much is it costing the company?
3. How effectively are you using all available resources (staff and tools), what is your utilization percentage of your professionals and how do you plan to continue to meet Service Levels with all the new work coming your way next year?
4. Does the business (customers and sponsors) value your services and rate them high in terms of satisfaction? What types of services are you not supplying that they would value?
5. Are you tracking 100% of all activity completely and correctly, as well as reaping the benefits by performing regular Root Cause Analysis (RCA) that identifies trends, highlights business impact and supports better factual decision-making.

Deflect to another channel (Self-service, email or chat)

A call reduction strategy should be focused on the CUSTOMER. It should be sold as a strategy to positively impact the business, making the request or need for service happen smoothly, transparently and coordinated for customers and for the enterprise support operation. Benefits should include but are not limited to:

1. Minimizing a negative business impact through increased employee productivity.
2. Increased service levels and customer satisfaction.
3. Lower overall support costs are lower.
4. Repositioning the support team to handle more value-add and business critical types of issues, requests and services.

Driving Continuous Improvement - A balanced approach to measuring performance and cost-effectiveness

If you cannot measure it, how can you improve upon it! The standard for excellence in establishing a best-in-class Service organization is your ability to measure performance accurately and consistently. You will not get a ‘seat at the table’ and realize your full potential value strategically if you cannot deliver tactically. You will not be able to deliver tactically if you do not know on a daily basis the "health" of your service delivery. You will need a real-time Dashboard Reporting to help you focus in on the areas that need your attention immediately. This focused and tactical reporting assists you in practicing exception management and will pinpoint where you need to focus your time and energy. You will need both team and professional metrics that focus on both the quantity / quality aspect of their performance. There is no getting around the importance of reporting and the role in plays in your success. Everything from FCR, SLAs to Root Cause Analysis to being a feedback loop for your customers to the rest of the organization – the voice of the customer. Don't leave your office without one, especially when the CFO and CIO want to talk to you about rising cost of support, donating to the budget bank or your projections of increased support costs due to the technology plan to rapidly role out new technology / systems to the field this year.

Driving FCR ROI

To prove ROI of any continuous improvement effort, you need to make sure you first understand what it takes for you to defined it, control it and measure it and manage it! It is also a key to ensure you have baseline measurement for the target area of improvement before you begin implementing the recommendations around continuous improvement. This will allow you the opportunity to report on a regular and consistent basis your progress (actual) versus your targeted goal. In any business case approach to show some financial return (ROI, NPV, reduction in total cost of support, reduced cost per call/resolution, etc.), one must know the internal cost structures of running support like a service provider.

In closing, I would like to leave you with this thought: Even though FCR is a great performance driver for your other success metrics, please remember that it still points to the fact that you are solving high percentage of repetitive calls – over and over again! Work hard to compliment your FCR efforts with other valued-initiatives such as call reduction strategies and self-service offerings. Don’t ever be afraid of working yourself out of a job! Service leaders who can execute these strategies and show the empirical results of their efforts will ALWAYS be in HIGH DEMAND. Good luck and God bless.

Terminology:

First Contact Resolution is achieved when the individual who takes the initial report is the same person who resolves the issue to the customer's satisfaction. First Call Resolution is where the issue is resolved on the phone while the customer is still on the phone from that initial phone call. Most analysts agree that FCR is not a valid measurement for the email channel due to the nature of email and the customer in terms of completeness/thoroughness of issue/request reporting. Support Organizations are putting time increments based on priority to measure their responsiveness and time to resolution. The average time increments seem to be between 1 and 4 hours.

First Contact Resolution can be steadily increased by using all of your available resources (team members, training, tools, documentation, past incidents, etc.) to facilitate solving our customers issue on the first contact. It leads to a higher level of customer satisfaction, improves image, allows L2 teams to be more responsive and improves customer productivity.

First Level Resolution is resolving the customer's issue or problem while working with the initial support professional; OR the issue is resolved after some time is spent on research or on a task that must be completed before the customer receives a resolution.

Total Contact Ownership is built upon the premise that the Support Center will continue to address a customer's issue/request and follow up until the issue or question is resolved to the customer's satisfaction.

Quality Ticket Documentation - research, diagnose, prioritize and document thoroughly (it did not happen if it's not documented in the ticket).

Team Work is best attained by empowering the team to make front-line decisions and coordinate best practice processes is the only way Support Center can survive and thrive in today's ever demanding role as the Customer Advocate and single point of contact for all customer issues and requests.

Being Proactive is all about spotting trends, related issues and reoccurring issues and working to ensure that we minimize business impact, communicate appropriately and work to learn from the situation.

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