



CASE STUDY

North America Telecommunications Provider

CLEARLY CX.

Aligning Internal and Outsourced Contact Centers Helped a Large U.S. Telecommunications Provider **Save More than \$50 Million** and **Improve Issue Resolution by 14 Points**

About The Client

This leading U.S. telecommunications provider has 80 in-house and outsourced contact center operations worldwide. These 24/7 centers handle customer service, technical support and sales contacts, employing 30,000+ call center agents and 2,000 managers.

Challenge

Executives were concerned the company was losing control of its customer experience due to a rapid expansion of its contact centers. The company engaged with more than 20 suppliers in 80 sites, plus 14 internal sites that each operated autonomously. Operating this many sites and suppliers resulted in varying business cultures and processes, creating inconsistencies in the delivery and management of customer service. In addition, both internal and outsourced sites were managed to different performance criteria. Overall performance improvement proved impossible to attain since the client's business relied so heavily on outsourced customer call centers. As a result, the company turned to COPC Inc. to realign its vendor management approach to streamline and strengthen the delivery of the overall customer experience.

Improvements

- **Decreased variation in performance results** between internal and outsourced sites within 12 months
- **Increased issue resolution from 66% to nearly 80%** at both internal and outsourced sites
- **Improved top two box customer satisfaction (CSAT) performance by 17.5 percentage points**, a 30% improvement
- **Reduced bottom box DSAT performance by 50%** at outsourced contact centers within 12 months

Discovery

The COPC Inc. process began with assessments of the company's internal and outsourced contact centers. COPC Inc. also conducted an exhaustive review of the company's supplier contracts, pricing and performance management practices, and all support roles related to supplier performance. The assessment was based on the COPC Customer Experience (CX) Standards, a collection of industry-benchmark performance management systems for the contact center industry. COPC Inc. identified the following weaknesses:

- **Inconsistent Management** - Supplier relationship managers had different skills, with no established parameters to ensure consistent management across sites.
- **Contract Alignment** - Key elements were missing from supplier contracts such as minimum skills for agents, minimum criteria required to allow agents to begin taking calls, performance targets and actions expected when performance did not meet expectations.
- **Inconsistent Site Oversight** - There was misalignment of expectations between internal and outsourced sites. Site managers reported to separate VPs and managed based on disparate requirements. In addition, there weren't any service level agreements (SLAs) outlined for the internal sites.
- **Incomplete and Ineffective Key Performance Indicators (KPIs)** - The organization lacked KPIs and required subsequent actions for missed targets. Internal sites received far more focus than outsourced sites, and many sites had not completed critical training.

Action & Deployment Plan

COPC Inc. determined that achieving consistency across all critical work areas was the highest priority for the company's supplier management team. Consistency required a multi-pronged approach that aligned the performance of internal and outsourced sites.

- **High Performance Management Techniques (HPMT) Training** - To better equip all contact center managers with fundamental performance tools, COPC Inc. delivered eight training modules to 3,200 frontline managers. This training provided clear and consistent standards for site performance and supplier management.
- **Site Management Training** - A complete, customized curriculum was developed to train supplier and site managers on the new management standards, including SLA compliance assessments, process auditing, expectations of time on site and performance corrections expectations.

- **Operational Consistency Team** - Working with the client, COPC Inc. established an internal task force to train, empower and drive compliance to the new performance and management standards. The team reviewed all sites and developed a corrective action process to address systemic-level issues.
- **Site Management Advisory Board** – The team created a process that allowed supplier and site managers to address emerging common issues and share best practices. The process included developing a monthly newsletter to communicate all decisions and updates to the entire supplier and site manager population.
- **Role Clarification** - Using RASIC (Responsible, Accountable, Support, Inform, Consult), the COPC Inc. team implemented procedures to ensure each site was compliant with the newly identified improvement processes, including the ability to analyze and improve quality and CSAT. Supplier/site management roles were clearly defined related to support activities such as workforce management (WFM) and performance management training.

Benefits — Aligning Performance

By focusing resources to manage their outsourced contact centers more effectively, the client achieved tremendous gains in aligning the performance of supplier sites to internal sites. The most crucial area of alignment was issue resolution. **Within 12 months, both internal and sourced sites had improved issue resolution by 14 points, which directly increased overall customer satisfaction.**

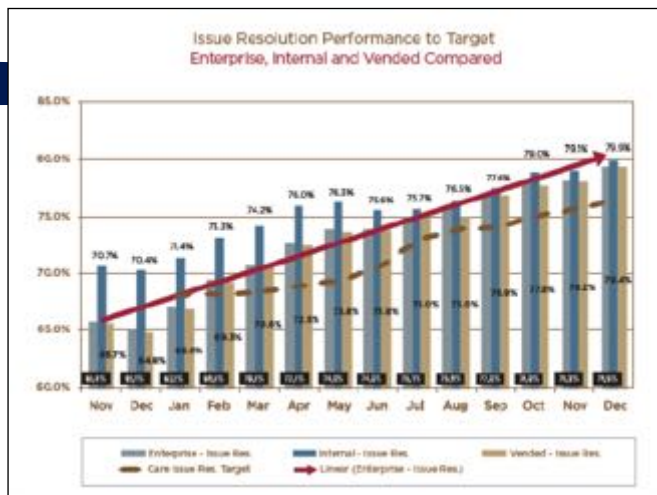


Figure 1

By implementing vendor management strategies recommended by COPC Inc., the client’s vendor managers decreased performance variation between internal and outsourced contact centers.

As Figure 1 shows, outsourced centers started at a 66% issue resolution rate, while internal centers were at 71%. One year later, both internal and outsourced centers were at nearly an 80% issue resolution rate.

Showing the Benefit of Accepting Change —

This client made great strides in aligning internal and outsourced site performance and improving overall issue resolution. However, not all the supplier managers rigorously applied the necessary training and management changes to achieve improved performance. To demonstrate the impact of this lack of support, COPC Inc. provided an analysis showing the performance difference between fully and marginally participating supplier managers.

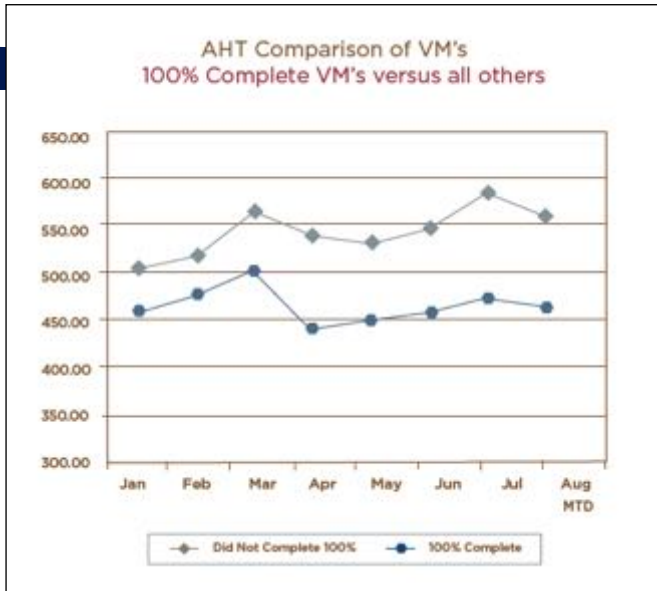


Figure 2

The chart in Figure 2 shows almost a 100 point difference in Average Handle Time (AHT) between the vendor manager sites that were fully engaged in implementing the new performance standards as compared to those vendor managers who were not completely engaged in this process.

	Apr	May	June	July	Aug MTD	
100% Compliant VM's IR Performance (5 Sites)	76.43%	76.50%	76.83%	76.88%	78.18%	
All other VM's IR Performance: (18 Sites)	72.70%	74.29%	74.59%	75.20%	76.21%	
Quantitative Analysis:						Bottom-line:
# of non resolved calls Non-compliant VM sites brought to compliant VM levels:	234,675	139,500	141,075	105,525	123,525	+744,300 Calls Not Resolved resulting in call back/ dissatisfaction
Cost of call back: 100% call back assumed:	\$1.056k	\$627k	\$635k	\$475k	\$556k	\$3.35 Million Cost of handling non resolved calls
Cost of AHT: 18 Sites AHT higher than 100% Compliant	18% Higher AHT	16%	16%	19%	17%	\$24.4 Million 50.8 Million Additional Minutes (@.48 Minute)

Figure 3

COPC Inc. calculated the cost of non-compliance as shown in Figure 3. This included 744,300 non-resolved calls, costing \$3.35 million in call backs, and \$24.4 million in higher AHT.

Following this presentation, the work of vendor managers was tracked and monitored for four months. Adherence to these new management requirements achieved 100% compliance within one month, and a marked increase in contact center performance was demonstrated within the four-month timeline.

About COPC Inc.

COPC Inc. provides consulting, training, certification, benchmarking and research for operations supporting the customer experience. The company created the COPC Standards, a collection of performance management systems for customer experience operations, customer experience management, vendor management and procurement.

Founded in 1996, COPC Inc. began by helping call centers improve their performance. Today, the company is an innovative global leader that empowers organizations to optimize operations to deliver a superior service journey. COPC Inc. headquarters are in Winter Park, FL, U.S., with operations in Europe, the Middle East, Africa, Asia Pacific, Latin America, India and Japan. www.copc.com.