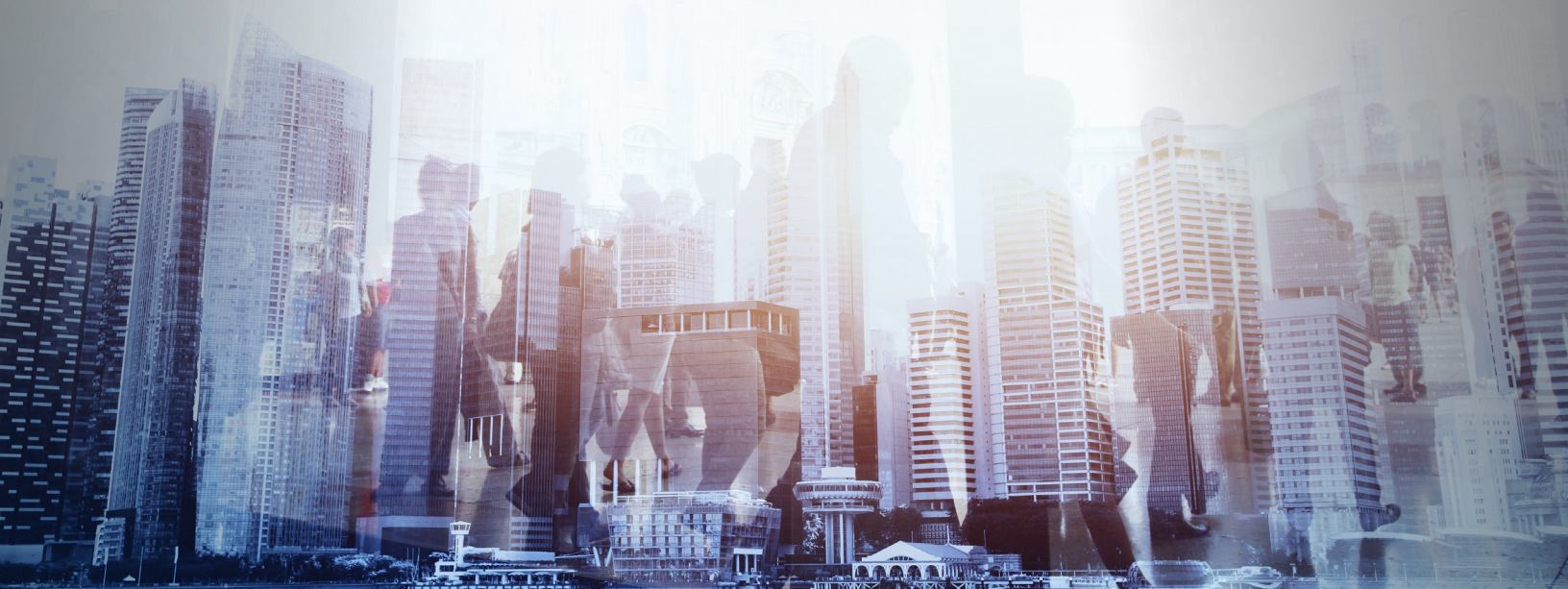
How Quality Automation Delivers **Real Business Value**



Executive Summary

Quality Management (QM) Programs are essential for management to improve performance, increase customer satisfaction, and reduce business costs. For example, recent research has found that 70%* of customers who take their business elsewhere leave due to poor customer service. A well-designed QM Program will reduce costly mistakes that impact the customer experience, regulatory compliance, and other errors that can negatively impact the business by getting to root causes of poor quality more quickly and consistently. QM programs also support a structured work environment, providing role clarity for customer-facing employees and clear directions to help them perform vital business tasks to documented standards.

In this age of digital transformation, it's not enough to simply have well-designed quality processes. A contact center should enhance these processes with quality automation tools to achieve the next level of performance. By implementing quality automation tools, a contact center can deliver significant savings in prevention costs while expanding the capabilities of the Quality Analyst (QA) team to provide deeper insights without adding additional resources.

Many organizations experience challenges with monitoring high call volumes due to: lack of QA bandwidth; shortage of insight on improving customer satisfaction; and lack of understanding the customer's voice. Instead of only concentrating on a sample of transactions, automation enables QA teams to shift their focus to a larger-scale analysis of their contact center's performance. This analysis can deepen an organization's understanding of how its staff interacts with customers and how changes in products or policies impact the overall customer experience.

This white paper will look at:

- The current state of quality management, including an overview of existing industry methodologies.
- A summary of high-performance QA processes.
- The benefits of quality automation when combined with quality best practices.
- An explanation of how automating parts of the QA process can drive down costs and improve business results.

The Current State of Quality Programs

For as long as customer contact centers have existed, some form of a Quality program has been needed. Over the past 30 years, very little has changed. Now, the digital transformation of quality processes and tools has completely transformed the impact of quality management on the business. To maximize the benefits, organizations must now understand how to build programs driven by automation tools to enhance the customer experience.

At COPC Inc., we have found that customer contact center Quality programs take one or more of these forms:

1. **Customer emulation**–specially trained individuals pretend to be customers and conduct test purchases or test transactions. These tests intend to mimic customer behavior, resulting in scored interactions. This approach does not measure true customer reactions and is best for only targeted use.

2. **Systems checking**–a systems-based review of interactions usable in either human-assisted or digital-assisted channels. Systems are programmed with complex routines that validate input and measure accuracy. More recently, systems have utilized self-learning algorithms and artificial intelligence (AI) to assess quality.

3. **Transaction monitoring**– traditionally understood as "quality" in most customer contact centers; a trained group of individuals listen to or review a sample of transactions. They may also observe in real-time to score the interaction against a template of attributes important to customers, the business, or regulatory requirements.

In COPC Inc.'s experience, most companies' Quality programs are transactional. These programs focus on identifying agent "wrongdoing" and are primarily geared toward creating coaching plans that prevent repeat agent errors, failing to address systemic process errors.

Many departments consist of evaluators who have little experience in data analysis. Evaluators often focus on attributes the company believes are essential rather than statistically analyzing key performance and customer experience drivers. We see companies build QA forms with unsubstantiated business and customer critical attributes scored using arbitrary weighting practices, unintentionally breaking the connection between quality and Customer Satisfaction (CSAT). As a result, many organizations spend a lot of time and money taking actions that yield little return in improving customer experience and business results.

COPC Inc. has developed the COPC Customer Experience (CX) Standard, a performance management system of global best practices for quality and CX operational functions. Implementation of the COPC CX Standard enables an organization to optimize its processes and performance to support the customer experience. For a Quality organization to maximize success, it should support best practices with quality automation tools and functions.

Elements of a High-Performing, Structured Quality Approach

Effective Quality programs must utilize clean data evaluated for integrity, identify and address both agent-level and business-level performance, and drive performance relative to the customer, business, and regulatory stakeholders.

Data Integrity

Quality departments must be concerned about the "hygiene" of their data. When an organization develops its targeted program performance, it typically uses a sample of handled transactions. The sample must be large enough to reduce uncertainty about performance and reliably inform performance improvement objectives. Samples must be designed to limit variation and minimize bias that can make the data less effective or useless.

Quality departments must ensure that those performing evaluations are calibrated to each other as well as the business and customers' needs. Evaluators should reach the same conclusions about the quality of any transaction that is scored. Lack of calibration is a persistent issue for many contact centers leading to unreliable data and faulty insights preventing sustained improvement.

In client assessments conducted by COPC Inc. in Q1 2021, quality evaluators achieving good calibration as judged by Kappa scores hovered at ~25%, despite their Quality departments reporting all or nearly all evaluators being "calibrated."

QM automation tools can help your organization with both sampling and calibration:

- Some quality automation tools can evaluate all transactions ensuring an unbiased view of performance and eliminating the need for calibration.
- Where the Quality department is manually evaluating transactions, the system should automatically generate sample sizes and sample collection plans based on the desired level of precision.
- Many tools can manage important checks for ensuring the data collection is proceeding according to plan and that the data is "clean" and actionable.
- The best quality tools use a Gage R&R calibration approach that compares evaluator calibration at the attribute level. This approach reveals evaluator-level calibration challenges and program-level "attribute" issues. When possible, choose a quality tool with a built-in calculation of kappa scores. This scoring will show levels of agreement/calibration across the evaluators, removing the impact of chance.

COPC Inc. regularly finds incorrect formulas, poorly designed calibration plans, and processes that bias the results. Without the right tools to support the COPC CX Standard's quality management best practices, there is a greater likelihood of inadvertent errors that rob the Quality program of its effectiveness.

The Two Purposes of Quality Monitoring - Agent-level and Business-level Performance

Quality Management serves two purposes for operations: agent-level and business-level performance evaluation. Agent-level is most used to identify individual coaching opportunities for agents, which misses the crucial insights impacting business performance. The more significant and often overlooked purpose of quality is providing business-level feedback that identifies process failures and poor service journey design. When business-level performance is evaluated at the "program-level" or "process-level," it often comes as a count of the most frequent errors rarely connected to actual business results, such as issue resolution, sales, efficiency, or costs. Most fail to drill deeper to identify the root cause of errors.

Quality departments frequently fail to address the most critical source of poor performance: variation in the organization's processes which negatively impact the business, clients, and customers.

Quality automation tools can facilitate analysis and help answer specific questions about process variation. These questions include:

1. **Was the process poorly designed?**
2. **Is the process mismanaged?**
3. **Did the organization pick the wrong people to execute the processes?**
4. **Was insufficient training provided to the agents or supervisors?**
5. **Are the company's policies out of alignment with customer expectations?**

Quality departments should be responsible for answering these questions and providing insights to operations when they identify lagging performance indicators. Other questions to keep in mind are what errors impact performance and what implications they have for other operational metrics, like Average Handle Time (AHT), Escalation Rate, Issue Resolution, and Sales.

Impact on Key Stakeholders

Innovative technology designers should identify and report correlations between quality scores, specific quality attributes, and key performance indicators of the business and customer experience.

The performance should also be measured relative to *specific* stakeholders:

The Customer

The Business

The Law
specifically, regulatory compliance

Organizations must consider that their tolerance for errors will differ for each stakeholder, thus requiring different targets. Measuring program-level quality from the three stakeholder's perspectives allows the Quality team to ascertain the correct inputs and outputs. These inputs and outputs are impacted by the execution and design of processes utilized by agents and systems to address customer needs.

For this reason, the COPC CX Standard requires the measurement of Customer, Business, and Regulatory Critical Error Accuracy. Businesses must determine Customer Critical attributes by analyzing customer feedback to identify the issues most important to customers. Business Critical attributes relate to specific business concerns, including revenue and cost, while prevailing law or regulatory practice, such as privacy and safety issues, determines Regulatory Compliance.

Quality automation tools should facilitate the distinction between critical error types and report program performance for each separately. Once there is a differentiation between these attributes, it becomes easier to see the connection between the inputs and outputs to take effective action.

Another essential purpose of a Quality program is to review and act on agent-level quality. Currently, Quality teams focus on agent "mistakes." Coaching occurs repeatedly, but they do not identify or correct the actual root causes. At the agent level, the approach needs to enable evaluators to recognize issues with an agent's skill set and motivation. Quality technology solutions must allow remote (possibly recorded) monitoring where the agent is unaware and "side-by-side" or announced evaluations where the agent is aware of the assessment. Technology supporting these monitoring strategies should permit the evaluator to see the agent's screen to determine potential tool use or compliance issues (such as privacy breaches).

Agent-level monitoring should identify the root cause of an agent's skill issues by correlating known gaps with related performance deficiencies in other metrics, such as AHT or escalation rates. Quality automation tools can best help at the agent level by identifying repeated errors, error trends, and correlations with other key performance metrics.

By freeing evaluators from the bulk of completion and first-level analysis requirements, a good quality tool instead allows them to focus on developing and delivering effective action plans. A well-designed quality tool should also facilitate the coaching process. For example, it alerts to the need for coaching, schedules the sessions, monitors timely completion, captures feedback and action plans, and tracks performance changes post-coaching.

Technology can make it easier for businesses to differentiate between agent-level monitoring and business-level monitoring. This enables Quality departments to select which purpose the evaluation will serve and pull the data according to the information's intended purpose. AI-driven systems can reduce or eliminate the time spent scoring and analyzing the data to identify root causes of poor performance. They also allow for a quicker collection and dissemination of data, enabling supervisors and managers to spend more time focused on the "human elements" of quality, such as training and coaching, to improve the business performance of agents. Current studies indicate there can be significant benefits to organizations by introducing quality automation, both in increases in efficiency and reduction of error rates.

Five Advantages of Using Quality Automation Tools

One huge advantage of quality automation tools is that, through automation, CX operations can now realistically monitor 100% of customer interactions across most, if not all, channels. The following are a few benefits of this capability:

1. Businesses can now analyze data from their entire population of customer interactions rather than just a sample. This comprehensive analysis leads to more informed decisions on how to improve business results and CX. In addition, this opens the door to leverage quality automation tools to alert on occurrences of poor and excellent service that otherwise are not discoverable through small sample sizes. This new capability allows businesses to remediate CX failures more quickly.

2. Organizations have a better ability to capture compliance issues and address them faster and more completely. Because quality automation can monitor 100% of the interaction, it has a higher likelihood of identifying regulatory errors, especially those with a lower incident rate. In a sampling approach, these errors may evade detection.

3. Calibration amongst human evaluators is no longer needed. As the quality tool is the only "evaluator," its findings will be consistent across the population. Your quality data will be more precise, reliable, and have a high level of integrity. However, the AI is only as good as its training and the skill of the resources managing the tool. So, your primary task is to ensure the tool is properly configured, trained, and maintained to ensure calibration with customers and business needs.

4. Gain direct cost savings by reducing the size of your Quality team. With quality automation doing most, if not all, of the monitoring, businesses do not need a large Quality team. With a smaller team, companies will also save time and money training new quality evaluators and keeping them calibrated. COPC Inc. suggests using the savings to add data analysts who can properly interpret the quality automation tool's rich data. Data analysts can also identify critical insights to help leaders make better decisions.

5. Achieve indirect but more significant cost savings by using better and more complete data to solve systematic process and policy problems. This data will also identify opportunities to improve efficiencies and lower defect rates.

Additional features of the best quality automation tools are AI and Machine Learning-driven analytics, automated workflows, speech analytics, and RPA integration. Quality automation tools with AI and Machine Learning identify patterns in word choice, emotion, and behaviors to provide crucial business insights across all customer interactions. This is just impossible in a manual Quality program based on limited sampling and variation in evaluator competencies.

Real-time speech analytics identifies words, phrases, or customer sentiments associated with negative customer experiences and makes real-time suggestions to agents for the best course of action. This builds quality directly into the interaction, improving the customer experience.

Automated workflows ensure that every interaction or trend that requires follow-up is brought to the attention of the right individual or team for evaluation and action.

These capabilities exceed those of human-based evaluation approaches and are only attainable by implementing quality automation technology. However, organizations considering executing these solutions should exercise some caution–successful implementation depends on the quality of the collaboration between the operations and the supplier. Centers must ensure that the systems are correctly configured and "trained" for the customer environment to reap the benefits.

Calculating Return on Investment (ROI) of Quality Automation

COPC Inc. audits hundreds of Quality programs each year. Those with the appropriate tools have a significant advantage over those only using a manual approach. We routinely see manual programs behind in their effort to monitor the needed samples across their programs. We also find they spend most of their time collecting, scoring, and providing basic agent-level feedback instead of making systemic improvements. Many of those with automated quality functions have shifted their time and focus to identifying and resolving systemic process errors, training issues, and policy problems. This shift enables the correction of fundamental challenges that span the agent population and impact broad sections of the customer base creating sustained improvement and significant savings.

Calculating the ROI involves several important factors, some of which will be unique to your business. In general, the main factors that dictate ROI can be categorized into the following three categories:

1. **Price of the automated quality solution**
    - Depending on the solution provider's pricing model, this can be influenced by several sub-factors, such as:
        i. Region
        ii. Size of your operation (i.e., number of agents)
        iii. Volume of monitored customer transactions
        iv. Number and types of channels you need the solution to support
        v. Whether it will monitor live or recorded transactions

2. **Financial benefit of lower inspection costs**
    - See direct cost savings from reducing the size of your Quality team and improving the efficiency of the remaining team members. This is primarily due to:
        i. Conducting most evaluations using the automated tool instead of manually
        ii. Spending less time calibrating remaining staff members
        iii. Spending less time recruiting and training new evaluators

3. **Financial benefit of improved performance**
   - This benefit is the greatest opportunity for maximizing ROI. It is entirely reliant on how effectively you use the tool's data. Proper analysis of quality data and remedial actions focused on program-or process-level causal factors can lead to significant service, efficiency, quality, and sales gains. As a result, there is the potential to achieve revenue retention or growth from improved customer loyalty while reducing cost.

A simple but realistic example of calculating ROI in your first year of leveraging COPC Inc. quality best practices along with the right quality automation tool might look something like this:

	ROI Element Example	Financial Impact Example
A	Annual price of a quality automation solution for a contact center with 1,000 agents.	**$660,000** *($55 per agent per month in the North America region)*
B	Annual cost savings from rightsizing Quality team from 20 evaluators down to 4.	**$784,000** *(16 fewer evaluators at $49,000 each for salary, benefits, equipment, etc.)*
C	Annual cost savings from lower AHT, fewer repeat calls due to poor service, and fewer rework/refunds due to improved quality.	**$416,000** *(10% fewer agents due to lower AHT and improved service quality, at a cost savings of $41,600 per agent.)*
D	Annual revenue retention/growth due to higher customer loyalty.	(Potentially millions ???)
	First Year ROI = $540,000 **(B + C + D - A)**	

It is easy to see how the right quality process supported by automation aligned with industry best practices can result in a significant bottom-line improvement to your business.

Conclusion and Recommendations

Ultimately, a Quality program's value should be measured by its overall contribution to the business' bottom line. Having the proper technology and processes in place within the quality function is essential to transitioning the Quality department from a high-cost, low-value endeavor focused on coaching agents to a high-performance function. This is integral to developing business insights, improving performance, and designing low-effort customer service journeys. The right technology can make it easier for a business to adopt critical best practices involving:

- Integrity and reliability of the data
- Focus on both agent-level and business-level performance
- Managing concerns of key stakeholders

So, where does your Quality program stand today? Is it helping you transform your business? Does it have a measurable impact on your bottom line? In a hypercompetitive marketplace, you can't afford one more day without confidently knowing you're getting the most value out of your Quality program.

* Statistic provided by McKinsey & Co