

# First Contact Resolution - The Performance Driver!



**A focus on the right metrics for the right reasons can properly position the Support Center to add business value.**

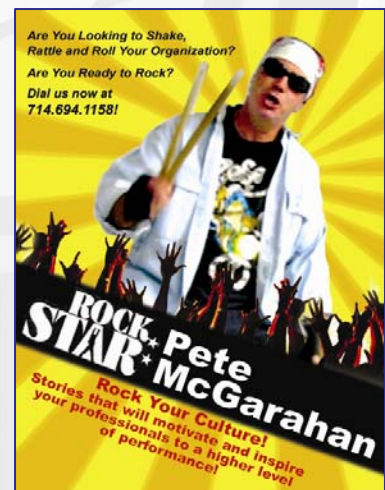
**Peter McGarahan  
President / Founder  
McGarahan & Associates**



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*Service and Support Value*

## About The Speaker

- 12 years with PepsiCo/Taco Bell IT and Business Planning
- Managed the Service Desk and all of the IT Infrastructure for 4500 restaurants, 8 zone offices, field managers and Corporate office
- 2 years as a Product Manager for Vantive
- Executive Director for HDI
- 6 years with STI Knowledge/Help Desk 2000
- 5 years with McGarahan & Associates
- 2 years as Chairman, IT Infrastructure Management Association ([www.itimassociation.com](http://www.itimassociation.com))



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*Pay It Forward*

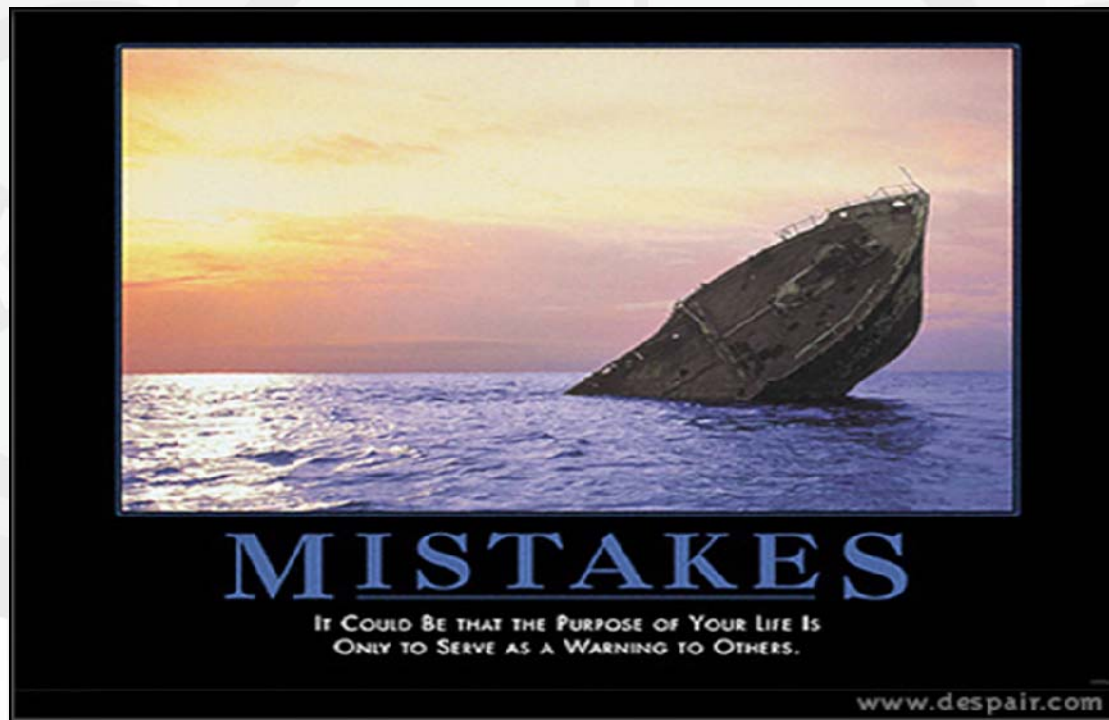


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## *Learn from Your Mistakes*

“The definition of insanity is doing the same thing over and over again and expecting different results”.

Albert Einstein



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# Challenge Yourself

- **Attitude**
  - It's yours to change
- **Ownership**
  - It's yours to follow-up and follow-through
- **Service**
  - Is it the way you would want to be treated
- **Skills**
  - Are you in learning / continuous development mode
- **Teamwork**
  - **T**ogether
  - **E**veryone
  - **A**chieves
  - **M**ore



*Trick or Treat?*

**THE CUSTOMER ANTICIPATION BEFORE SOMEONE PICKS UP THE PHONE**



**WHAT WILL IT BE?**

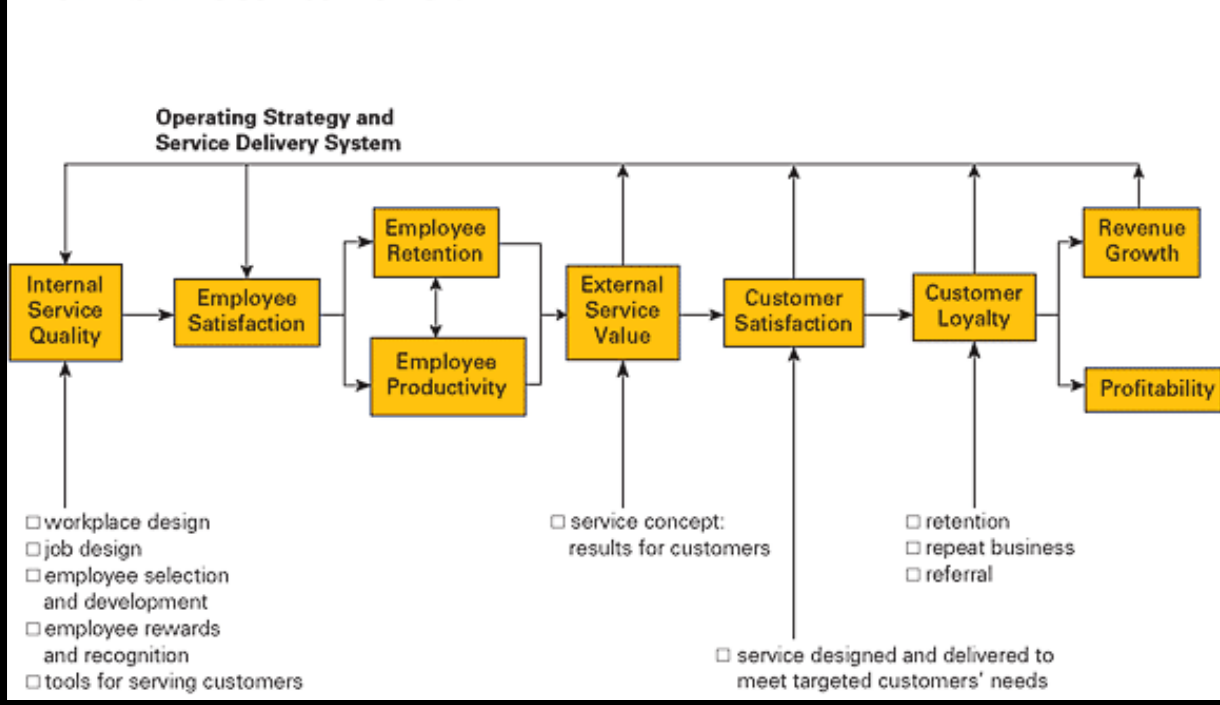


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# What's Your View of The World?

*In tough economic conditions, the focus must be on YOUR customer....*

## The Links in the Service-Profit Chain



Focus on three things:

1. The Customer experience & touch points.
2. Increase ROI & Utilization from existing investments.
3. Streamlining & continually improving service delivery for efficiency, consistency and value.

**The Service-Profit chain establishes the interconnected relationships among internal service quality; employee satisfaction, retention and loyalty; service value; customer satisfaction and loyalty; revenue growth; and productivity.**



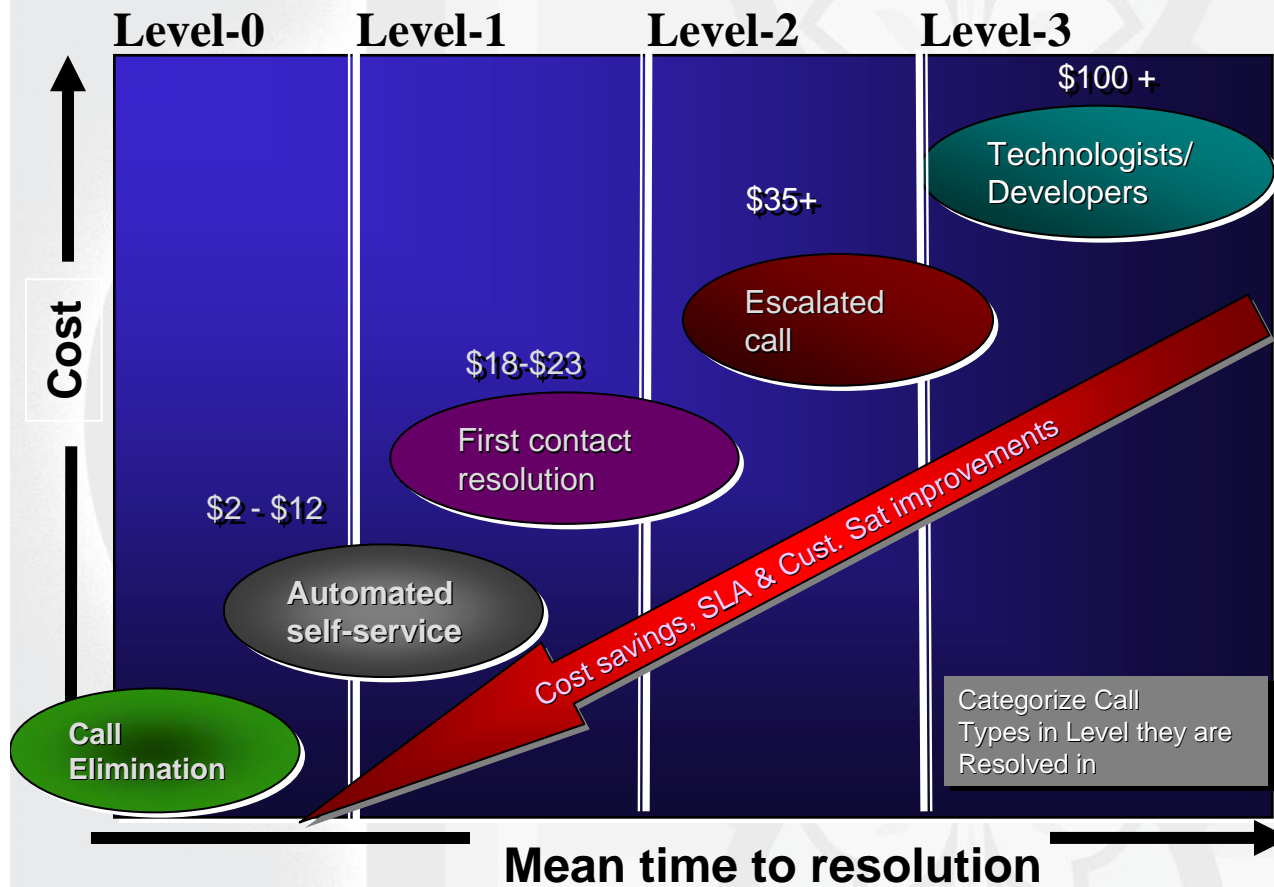
## Industry Benchmark Metrics

- Average range of 1st level contact resolution between 54 and 77% of calls.
  - Average 63%
- Cost of 1st level call
  - \$18-\$23
- Cost of 2nd level call
  - \$35+
- Cost of 3rd level call
  - Starts at \$100
- The cost of supporting a device
  - Between \$70 and more than \$130
- Average case per support professional (L1) per month
  - Range 450 to 530
- Password reset
  - Between 20% to 35%
  - Password resets handled by Level 1 cost, on average, \$12 per transaction, while Web self-service costs \$2.
- Queue time:
  - 20 seconds to 53 seconds.
  - Average 36 seconds
- Talk time 5 minutes to 8 minutes
  - Average 7 minutes
- Abandonment rate
  - Between 7% to 8%

Source: Gartner, 2009



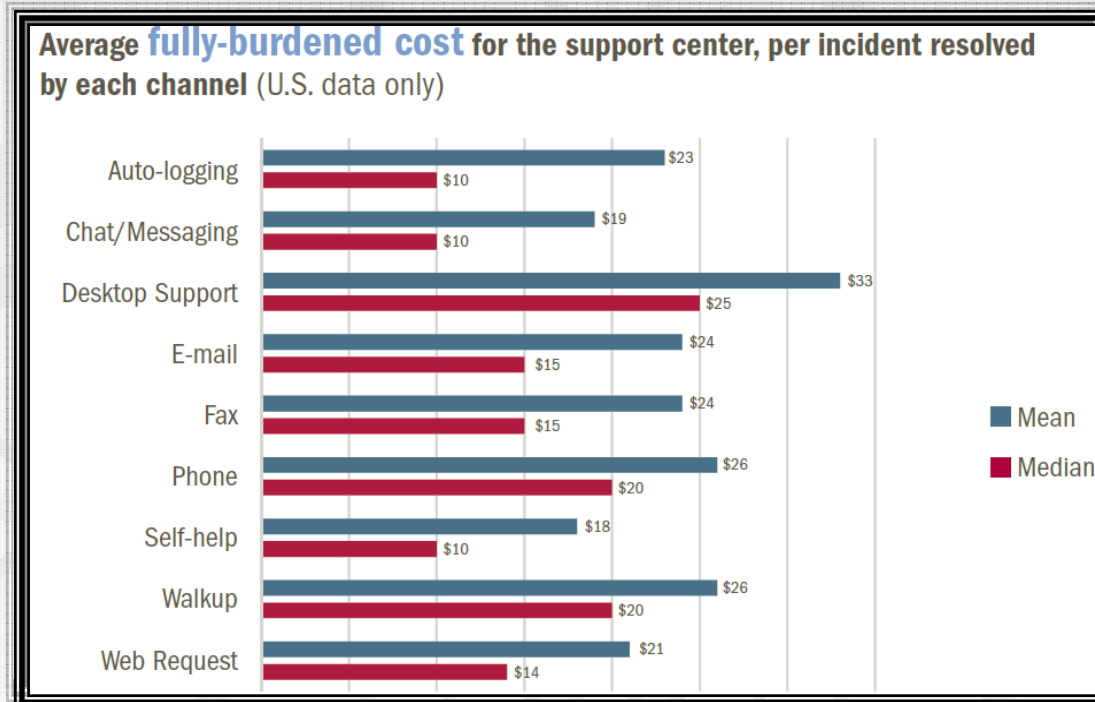
# Implement a "Shift-Left" Service Strategy



- Implement a shift-left strategy and bring visibility to repetitive, costly issues - especially the ones being continually escalated (leverage Root Cause Analysis).
- **Action Item:** Examine all problems and escalations to rationalize processes and push problem resolution to the most-efficient and cost-effective support level.
- Tracking percentage of resolved cases by group, levels and cost in the organization.
- Understand which levels (groups) are resolving which cases, how many and what cost.
- Calculate a cost per call/resolution analysis >>>>



# Calculate a Cost Per Call Analysis



- **Show value.** Compare and contrast. **Know you baseline.**
- Prove financial impact of cost reduction strategies and continuous improvement initiatives
- **Justify investments using financial metrics..** Defend empirically against external threats.
  - **Reduce the cost of running your business**



# Reduce the Cost of Support

- Increase First Call Resolution / First Level Resolution  
.....Lower cost per resolution.
- Know what call types you resolve at FC.
- Know what call types you escalate.
- Target call types for FCR that are currently being escalated.
- Work with L2 managers to provide training, access, and knowledge articles.
- Handle all requests, password resets and repetitive “How-To” training through Self-Service Portal (L0).



# Service and Support Best Practices

## 1. 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.

## 2. First Contact Resolution

- You should use all of our 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.

## 3. Quality Ticket Documentation

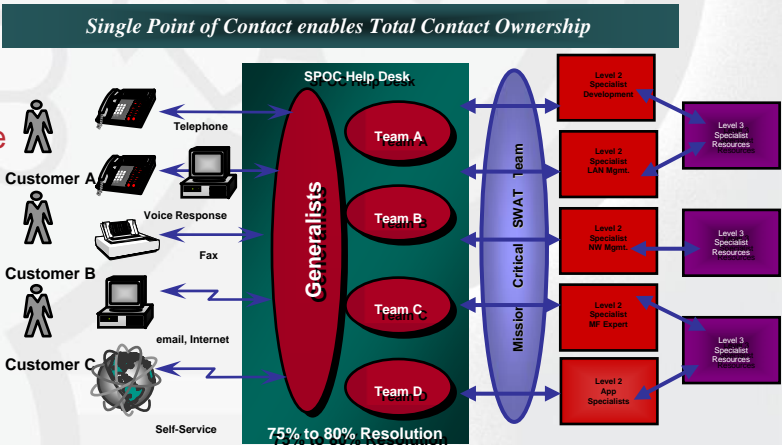
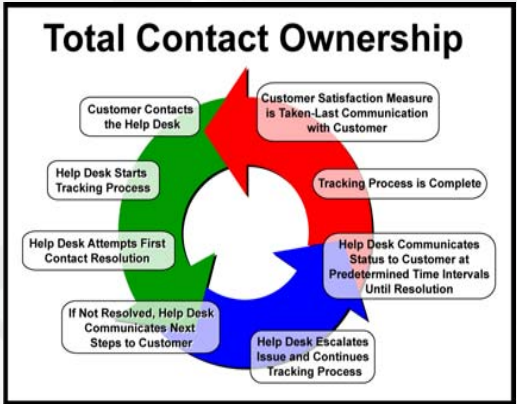
- Research, diagnose, prioritize and document thoroughly (it did not happen if it's not documented in the ticket).

## 4. Team work

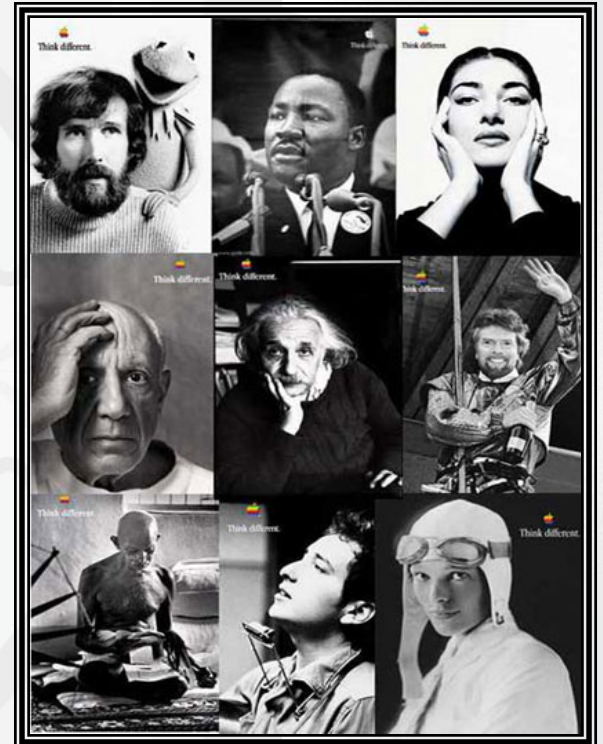
- Empowering the team to make front-line decisions and coordinate best practice processes is the only way Support Center can survive and thrive in today's ever demanding role as the Customer Advocate and single point of contact for all customer issues and requests.

## 5. Being Proactive

- 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.



*Use It or Lose IT*



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- **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.
- **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.
- When you improve FCR you're **improving quality**, **reducing costs**, and **improving customer satisfaction**, all at the same time.

It is important to note that *only one contact* was made by the customer and *only one resource* was used, the support professional.



# *The Dos and Don'ts 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. Use 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.
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.

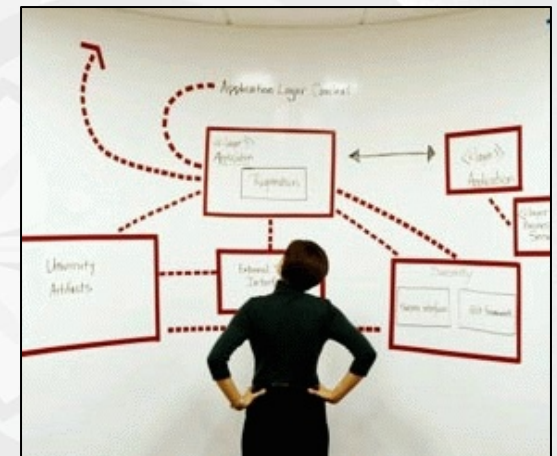
**It's a key driver of continuous improvement and a key determinant of customer satisfaction.  
If you don't measure it you can't improve.**



# The FCR Tool Kit

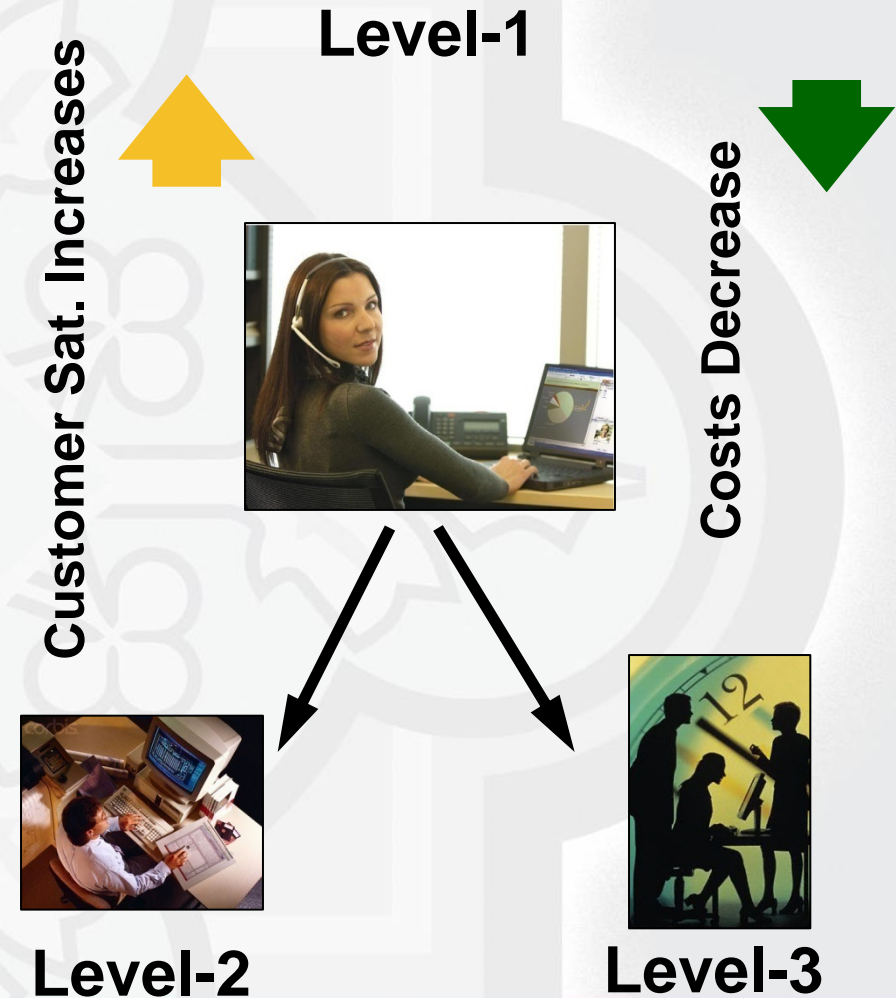
## What you Need to Succeed!

- **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.
- **VoIP Solution**
  - Integrated voice and data to enable the functionality of ACD, IVR and CTI.
- **Knowledge Management**
  - An integrated Knowledge data base that is supported by a KM strategy and process.
- **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.
- **Reporting/Dashboards**
  - The ability to know where your team is performing with critical operational metrics – real-time.
- **IM**
  - IM capabilities to access the various Subject Matter Experts real-time without escalation.



# Metrics That Matter

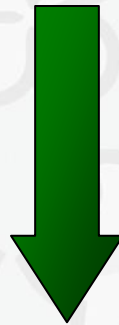
- **Responsiveness Metrics:**
  - Percentage of calls answered in 45 and 60 seconds
  - *Average wait in queue*
- **Efficiency metrics:**
  - Cost-per-call / Cost-per-contact/ Cost-per-resolution
  - *Resource (L1) utilization.*
  - Work Effort (L2, L3, and L4) by priority vs. MTTR.
  - *Knowledge adoption / usage*
  - Self-service adoption / usage
  - *Call / Incident / Problem elimination (targeted by call types (categories))*
- **Effectiveness metrics:**
  - First call / level resolution
  - *Mean time to Resolve (MTTR) / Aging / by Priority level*
  - Quality Review / Ticket documentation / Process / Customer service
- **Customer Satisfaction (CSI) – transactional - after experience**



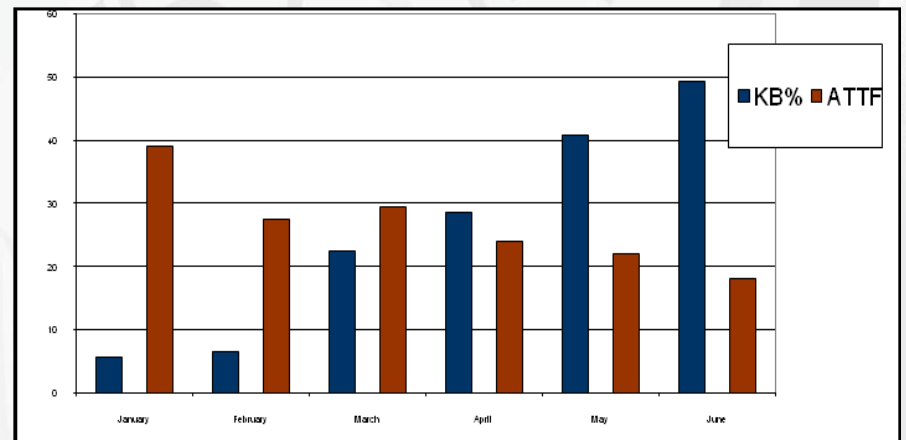
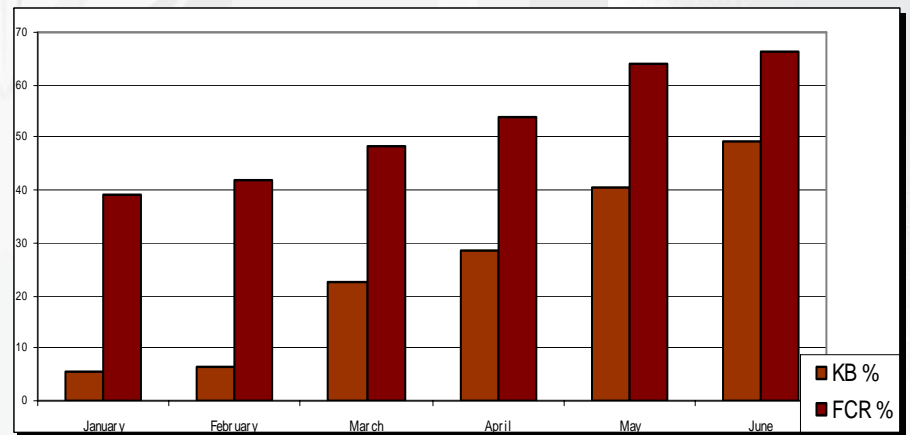
# FCR - The Ripple Effect!

As Knowledge Base  
Utilization (KBU) increases...

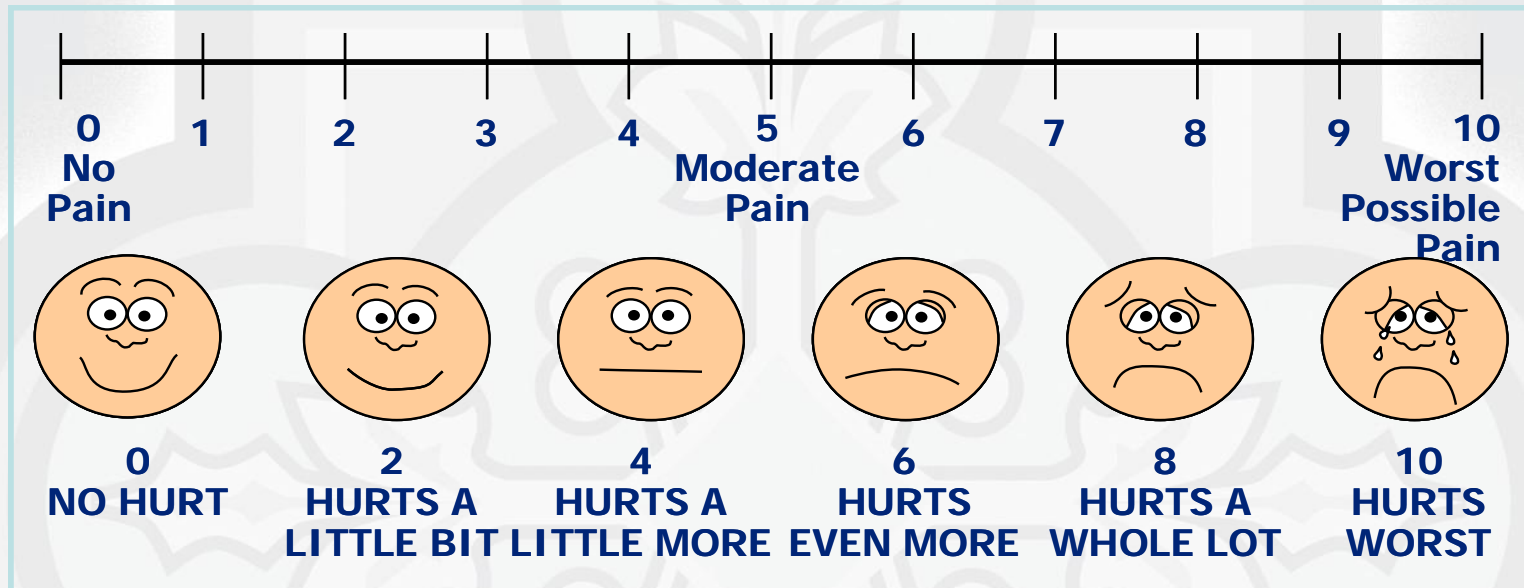
- First contact resolution.
- **Customer satisfaction.**
- Productivity.
- **Quality/Consistency.**
- Average mean time to resolve.
- **Average talk time.**
- Total support costs.
- **Reduction in call types.**



## Expand Services – Utilizing Same People!



# Drive Customer Satisfaction



- Customer satisfaction **MUST** be a strategy.
- On average, every 1% percent increase in first-contact resolution (FCR) results in a 0.64% increase in customer satisfaction.
- Customer Satisfaction Index must be the 'barometer' for all other performance metrics.
- It must be engrained in the culture and a top priority for Management.
- The strategy includes baseline and transactional surveys with a focus on communicating the results and action plan to the customers.



# Measuring Customer Satisfaction

## Overall Survey Results

April 1, 2007 to September 30, 2007

# of companies = 144

# of centers = 201

# of surveys = 257,682

	Very Dissatisfied	Somewhat Dissatisfied	Neutral	Somewhat Satisfied	Very Satisfied
1. The courtesy of the analyst?	1%	1%	4%	11%	83%
2. The technical skills/knowledge of the analyst?	2%	1%	5%	14%	78%
3. The timeliness of the service provided?	3%	2%	5%	13%	77%
4. The quality of the service provided?	2%	2%	4%	12%	79%
5. The overall service experience?	2%	2%	5%	13%	78%

## Overall Average Scores

(# of Surveys = 257,682)

1. The courtesy of the analyst?	4.74
2. The technical skills/knowledge of the analyst?	4.65
3. The timeliness of the service provided?	4.58
4. The quality of the service provided?	4.65
5. The overall service experience?	4.62

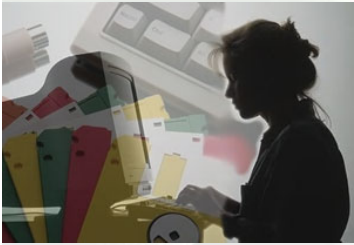
- Develop a strategy for collecting and analyzing customer feedback.
- Include Baseline & transactional surveys.
- Leverage the CSI scoring as proof that you are doing the right things for the customer.
- Link CSI scores to your other operational, financial and performance metrics.
- Weigh customer satisfaction against service costs and alternative solutions.

Source: HDI Customer Satisfaction Benchmark Study - 2007



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# Ensuring Customer Satisfaction



- Provides vital quality of service information to management.
- It records calls/screens for scheduled evaluation.
- Results are included in analyst scorecards.
- Used for coach agent on areas of improvement.
- Used to recognize professionals who are star performers.
- Ensure consistent and professional service by:
  - Demonstrating the importance and linkage between customer service skills learned in training and what the customers think of your service (survey).



# Summary - Never Settle!

## – Solve issues

- When issues are solved quickly and efficiently, productivity increases.

## – Prevent problems

- Performing **Root Cause Analysis**, determining the source of the problem, will provide long-term prevention. *Preventing 10% of problems is the same as solving 80% of all problems immediately.*

## – Detect problems and trends

- Detecting recurring problems, analyzing trends, and identifying areas in need of improvement.
- Leveraging Incident, Problem and Change management processes.

## – Position for Self-Service (deflection)

- Even though FCR is a great metric – it still says we are solving a high percentage of repetitive calls – over and over again!
- Position for self-service based on issue, question and audience.





***"Being a service leader is about your view and perspective of the world around you! It's not about you, it's about all that you can do to make other people successful."***

**Thank You & God Bless!  
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