

## Transactions Speak Louder than Words

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Many organisations would claim that they are customer-centric, strive for superior customer service, and yet a deeper examination of their actions will often encounter practices that have more to do with organisational expediency, massaging inadequate systems and processes and driving through cost-cutting efficiencies. Where does this leave their customers and can the trade-off between transactional efficiency and customer value ever be fully reconciled? Given the emergence and rise in prominence of the Contact Centre and looking at the interface between an organisation and its customers, often the Customer Service Centre is a logical place to start understanding how truly customer-centric an organisation is.

Call centre managers set and monitor work standards, productivity and procedures. Metrics and measurement of employees is based on calls per man per day, call duration etc. analogous with a production “throughput” environment. Typical agent behaviour is thus centred around surviving in that environment, beating the system, not improving it, and certainly not facilitating improvement of the customer issues or experience. Yet, as frontline staff, it is they who determine how customers experience interaction and transactions with an organisation.

John Seddon<sup>1</sup> identified two fundamental flaws in the design and management of call centres today.

1. Ignorance of the nature of demand
2. Ignorance of the causes of variation in the performance of call centre agents.

### **1. Ignorance of the nature of demand**

By the very measures managers put in place, Seddon believes that the fundamental reasons why customers call in (looking at it from a customer point of view) are forgotten. Calls are simply seen as units of work. He goes on to describe two basic types of call “value demand” – those that contribute value to the customer (fulfilling the service that the organisation exists to do) and those that occur as a result of failure to serve customers appropriately (e.g. omitting to do something or doing it wrong) that he terms “failure demand”. Seddon asserts that failure demand can be the reason for between 25-75% of calls and that, typically, this is what is out-sourced, adding to the cost of service.

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<sup>1</sup> John Seddon “Are the days of the ‘sweat shop’ over?” writing in Customer Republic

## **2. Ignorance of the causes of variation in the performance of call centre agents**

Many organisations with poor processes but good products can survive for some time due to the ingenuity, initiative, experience and loyalty of their employees who will over-ride poor systems and processes in the interests of good customer relations. Others cannot rely upon the quality or consistency of this employee behaviour that is, in any case, not a sustainable position. In the contact centre, managers often overlook the fact that there are two dimensions to performance – people and systems fixating on the people aspect as the root (main) cause of poor productivity. While this appears to be the rational thing to do, it ignores the sources of variation in the environment in which agents are working. Since estimations of the variation in performance indicate that over 90% are attributable to the system, this is surely where the greatest impact and improvement could take place.

Variation arises as a result of the differences between individual customers (and the reason for their call) and products. Processes and procedures often evolve over time to accommodate change (new manager, new product introduction, new technology capability), or in reaction to a failure in the system. These changes happen in the context of business as usual, often at the level of the department, and therefore do not take into account the knock-on effect across the business. Therefore, a change to create efficiency at one level may in fact create inefficiency in one or a number of others, and often results in failure to serve customers effectively which results in complaints. Other variations will be dependent upon information and data flow to support the knowledge and response of the agent.

In summary, in the contact centre context, there is a need to concentrate on managing the variations in the environment that lead to fluctuations in the performance of customer service agents. This creates a set of new measures and a new perspective focussed on the customer and those things that customers value, and how well work flows across the organisation as a whole. Quite simply, the aim is to have a system that recognises what matters to customers and an environment that encourages delivery of that value. As services improve, costs will decline – quite the opposite of what most managers believe at present.

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