Performance Management and ROI at Sharpen

Ric Kosiba, Ph.D.
Chief Data Scientist, Sharpen Technologies

We humans have - almost universally - a wonderful characteristic: we want to do well. Through performance reviews and management check-ins, businesses have used this desire to improve performance since the advent of business and employee reviews. But in data-rich businesses, performance can now be measured automatically, rigorously, and in real-time. And no operation is as data-rich and numbers-driven as the modern contact center.

This newish technology is most often called *performance management* or its lesser cousin gamification. It lets companies put an agent's contact center performance smack dab in front of the contact center agent. With it, management can watch this performance in real-time and supervisors can use the performance management data in periodic agent one-on-ones and performance reviews. It's both powerful and simple. And, it plays on that desire to do well.

This paper will discuss performance results typical to a modern contact center that implements performance management, and tips and tricks for managing a performance-based contact center workforce.

Performance Management at Sharpen

Sharpen has always considered its purpose as building software for the contact center agent; *Agent First!* is our mantra. As such, we understand that among the most important paths to agent satisfaction is simply for an agent to know how well they are doing and how to do better. A happy agent is one who knows they are doing well. We began researching the best ways to help agents know how they're doing at work. In discussing agent performance, we heard this very cool story from one of our smart customers. When this contact center executive was a young supervisor, he pulled a new agent into a meeting with the purpose of starting a performance plan as a precursor for termination. He told the agent that his productivity was far off the group average and his handle times were three times as slow. The agent simply thought for a second and said, "I didn't know we were supposed to go that quick. I'll fix it."

Sure enough, from that meeting on, the agent's productivity numbers were well within the norm and he turned out to be one of the company's better representatives. What stuck with the executive was that the simple act of understanding company expectations could make such a difference, and how important it was for management to make those expectations clear. For the agent, performance was malleable. He just didn't know that handle time was important to the company.

Sharpen has developed for the midmarket—at the core of Sharpen's contact center platform - a simple and powerful performance management module. On the agent's desktop are three metrics, chosen by management. And, displayed prominently, agents can see their performance data against each measure, management's goal for each metric, and, optionally, their ranking amongst their peers.

Below, Figure 1 shows a set of Sharpen Performance Tiles on a contact center agent's main screen, the "beachfront real estate."
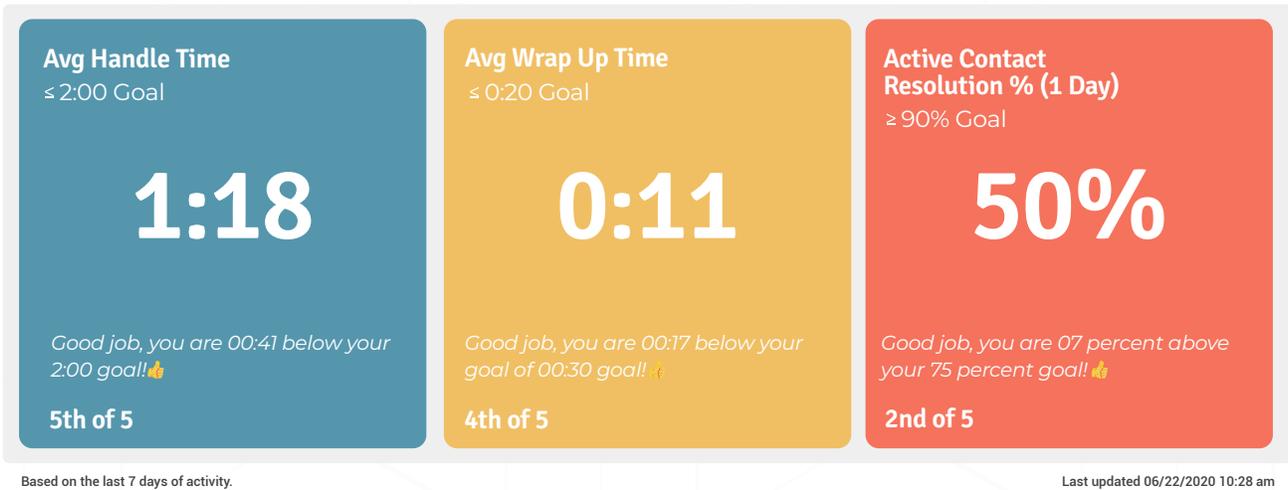
Avg Handle Time	Avg Wrap Up Time	Active Contact Resolution % (1 Day)
≤ 2:00 Goal	≤ 0:20 Goal	≥ 90% Goal
1:18	**0:11**	**50%**
Good job, you are 00:41 below your 2:00 goal!👍	*Good job, you are 00:17 below your goal of 00:30 goal!*👍	*Good job, you are 07 percent above your 75 percent goal!*👍
5th of 5	**4th of 5**	**2nd of 5**

Based on the last 7 days of activity.   Last updated 06/22/2020 10:28 am

Figure 1. Example of Sharpen Performance Tiles

Data captured during Performance Tiles beta testing showed terrific results. In Figure 2, handle time performance is graphed at a large services broker after implementing Sharpen Performance Tiles. Contact center stats suggest over an 8.7% improvement of handle time resulting in a 5% improvement in agent hours required. All from showing agents their performance.
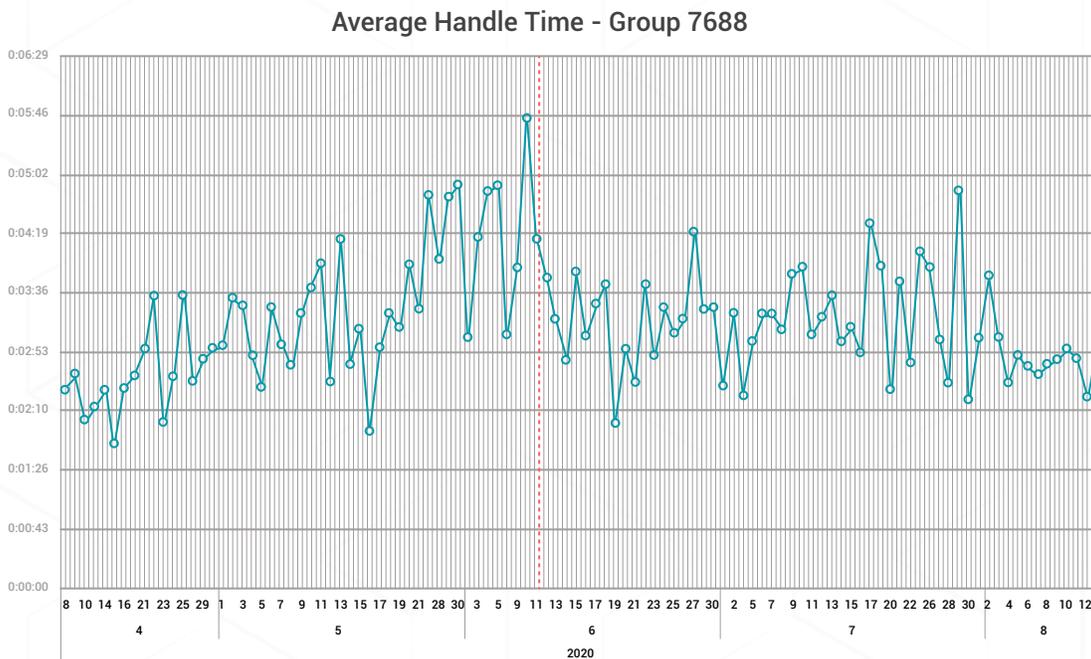
Average Handle Time - Group 7688

Figure 2: Handle Time Before and After Performance Tiles Implementation

In Figure 3, we show First Contact Resolution performance before and after employing Sharpen Performance Tiles at a mid-sized credit union. What makes this performance improvement so interesting is that it is in a performance area that is considered difficult for an agent to control. Yet, again, at the moment Sharpen Performance Tiles was implemented, agents affected customer call-backs by focusing on that part of their performance. In this case, FCR improved over 5% after introducing performance management. As a corollary, customer satisfaction also improved significantly-- over six percentage points-- on the day of tiles implementation, even though customer satisfaction was not an explicit tiles metric.
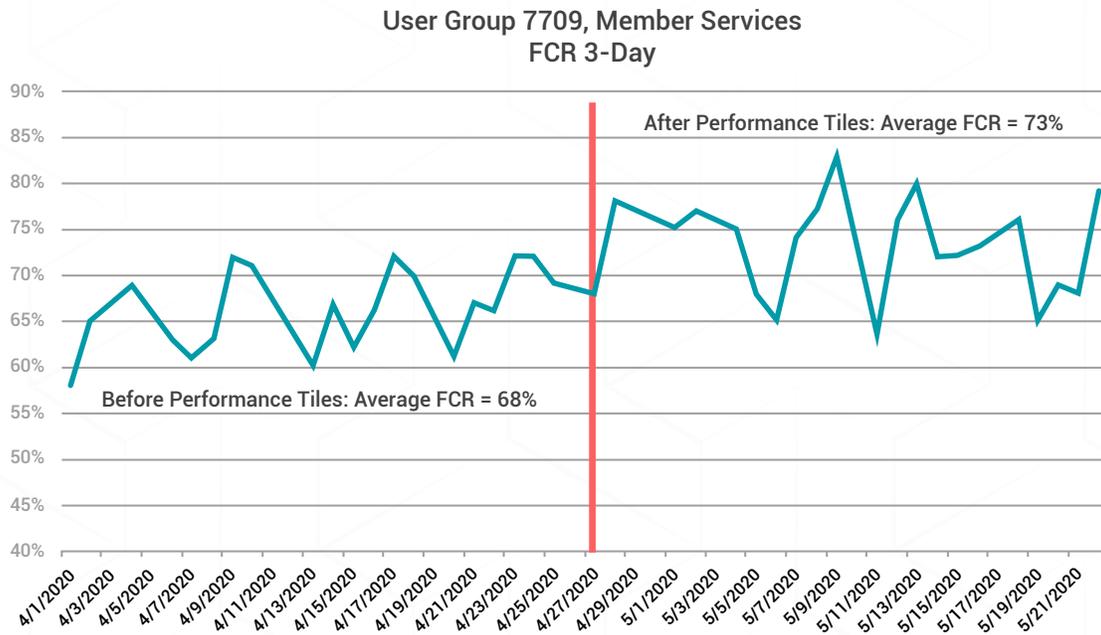
User Group 7709, Member Services
FCR 3-Day

After Performance Tiles: Average FCR = 73%

Before Performance Tiles: Average FCR = 68%

Figure 3. First Contact Resolution at a Mid-Sized Credit Union
During the rollout of the product, we heard fantastic stories. *"I just have to say the numbers on Sharpen make me want to be better than whoever may be ahead of me each day. I can't believe I'm 8th on contact resolution. I'll try harder,"* was one of the positive comments from a contact center agent at a credit union. Universally, agents liked seeing their stats. And management appreciated their agent's improved execution.

Notes on Sharpen Performance Tiles Metrics

We've found that it's critical that metrics used in performance management systems have these attributes.

- **They need to be automatic.** Metrics that require human input are difficult to calibrate and are less consistent. Measures like Hold Time or After Call Work, are perfect for performance management.
- **Data needs to be plentiful.** Metrics that are sporadically or infrequently measured are poor measures for Sharpen Tiles. The more data, the better.
- **They need to be tied to agent—not group—performance.** Some metrics, like first contact resolution, have a different meaning to an agent than they do the organization. Agents can only control their own performance on the contacts they work, they cannot affect, directly, the group's performance. Instead of measuring First Contact Resolution, we prefer *Active Contact Resolution*. We define it as whether an agent has handled the active customer's issue and is measured by whether the customer requires subsequent contacts within a defined time period.

While the organization will measure First Contact Resolution, the agent will see Active Contact Resolution. Similarly, an agent cannot control service levels, but they can control their own availability.

For this reason, we have limited metrics to those that are automatic, agent-focused, and plentiful.

Implementing Sharpen Performance Tiles

Setting up and turning on Performance Tiles is simple, a few selections and mouse clicks. However, some thought should be given of the goals for each tile's metric, and whether to display agent ranking. But there are other best practices that go beyond the software.

- **Determine the metrics most important to the company:** The metrics that management chooses sends a powerful message to the workforce that those metrics are core to the agent's overall mission. Choose wisely.
- **Create a benchmark:** For companies first implementing Sharpen, Performance Tiles will likely be turned on upon Sharpen install. This poses a challenge: how to measure performance before and after Sharpen? We believe that its ROI should be captured at every install, but this requires delving into the customer's legacy data and trying to develop an apples-to-apples before and after performance picture. This will require some work and Sharpen will help.
- **Organize the workforce:** Agents are measured against their peers. It's important that Sharpen User Groups, which determine peer groups, are defined neither too broad (agents will be measured against others with disparate work), or too narrow (agents will be measured against a peer group that is much too insignificant). In the first case, fairness will seem an issue, and in the second, stats and rankings will seem too meaningless.
- **Measure organizational performance daily:** Agent's performance will be real-time, consisting of 7- or 30-day rolling averages. For the organization, it is important to watch overall group performance daily to see shifts in overall agent and customer behavior.
- **Keep metrics somewhat consistent:** There's always a temptation to tinker with which performance metrics are displayed or to change performance goals. This is OK, but metrics should be constant for a significant amount of time (say, 3 months minimum) to ensure agent focus.
- **But don't be afraid to recalibrate.** When your organization improves their performance to the extent that the current goals stop making sense, they should be changed to encourage agents to continuously improve. Similarly, shifting to another performance metric after reaching a performance plateau makes sense.
- **Communicate:** Our beta program showed that management engagement and communication is critical to performance management success. Agents will respond if their management reinforces the data that Performance Tiles presents. Agents are even happier knowing that they are doing well—and their supervisors know it, too.

Performance Management Versus Gamification

There are several companies who provide gamification platforms for contact centers. Interestingly, in discussing lift from gamification features, most say that the bulk of performance lift comes from simply showing agents their statistics compared to their peers. For all the bells and whistles and games and screen avatars that come with "sophisticated" gamification systems, the silly parts also come with a cost—the infantilization of the workforce.

We believe that gamification companies often go too far and codify a perceived generational bias between management and agents. There is a sense that younger generations require games and points and avatars and such, to provide professional results. We don't believe this. Our approach is to treat agents as professionals, give them the information needed to do their job well, and to reap the benefits of a professional contact center workforce.

Turning Performance Into Cash

In the end, performance improvements should always have a quantifiable effect on the bottom line, and we help our customers develop that analysis. Our first batch of performance metrics (we will be looking to always add more), have a direct correlation to ROI, either through a change in volumes, handle times, or agent efficiency. Each of these are calculable, and each can affect agent hours required. Sharpen has developed a simple Performance Tiles ROI spreadsheet, which can be made available to estimate benefit.

Our first experiences in implementing Sharpen Performance Tiles showed improvements on the order of 5 to 15% of agent paid hours, payable in lower cost or higher service standards. This is significant to any operation.

The Future of Performance Management

Performance management has significant promise in other areas of a contact center platform. It provides a data stream and a feedback mechanism from management to agents, and from agents to the contact handling system. This additional performance response data portends a new and simple way of managing contacts. Many call handling AI platforms are plagued by complexity and unexplainability. Systems that cannot be intuitively understood are rightly suspect. Performance data promises AI without the complexity that has led other production AI systems to failure. Sharpen is designing the next gen contact handling AI system. More to come.

About Sharpen Technologies

Sharpen is the agent-first contact center built to help contact centers prioritize their agents and strategically improve customer experiences. With agent and manager tools, resources, and knowledge in an **easy-to-use interface,** plus the support of a high-touch partner and transparent pricing, contact centers get greater returns with Sharpen. Our platform was recognized by Frost & Sullivan for its "dramatic ROI," "out-of-the-box integrations" and "powerful reporting and analytics tools," while Nemertes Research called us a "Top-Rated Contact Center Solutions Provider."