

FEATURE Adopting Six Sigma in the call centre

By Robert Wint

For those of you unfamiliar with the concept of Six Sigma just think of the quality circle concept. When applied to the call centre the aim is to increase customer satisfaction through better customer service which, in turn, lowers the cost to serve (CTS) the customer and this differential is then ploughed back into further improvements in customer service. The cycle of improvement continues onwards and upwards, so the theory goes.

Despite being a well used and credible way to change processes in the manufacturing sector for many years, Six Sigma has not been widely adopted in the commercial 'service' sector, which is a great shame as this sector could do with some help to counteract its poor customer service image.

As around 90 per cent of customers will at some time deal with the contact centre and, for most, this will be their only form of contact with the organisation, the call centre provides Six Sigma with a perfect test case as it relies so heavily on measuring its effectiveness through customer feedback.

The words 'attrition' and 'retention' are so often used in association with the call centre but often, it's cultural change, staff training and motivation that are seen as the tools to counter these issues. However, the impact of each of these on general levels of productivity and customer satisfaction are not always easy to measure.

The beauty of the Six Sigma methodology however, is that it provides a clear framework for an organisation to work to and clear criteria for measuring the results. With Six Sigma you can identify the metrics that show the critical aspects of customer satisfaction, so that you can quantify how to bring change to improve these rates. It also helps to identify the real cost to the organisation of poor customer service which is probably the best evidence to get senior level support for this methodology.

Sigma is a character in the Greek alphabet used in statistics to define standard deviation. Six Sigma involves continuously improving processes, with the aim of consistently meeting the customers' requirements in all but 3.4 cases in every million transaction opportunities. Aimed at near elimination of errors or defects, Six Sigma takes a holistic approach to processes, employees, clients and customers.

Reducing variations leads to reducing defects or errors and their causes and reducing errors leads to customers receiving a more predictable, consistent and value-rich product or service.

For example, a call with an error could cost a conservative £50 to rectify. The error might have been, say, in taking down a customer's contact details incorrectly, or failing to gather a crucial piece of information. The process of rectification could include the time and cost involved in calling the customer back to gain the correct information.

Or it could go further, in that through incorrect data, the customer never receives the information he requested, and therefore does business with your competitor instead. The cost therefore, is the cost of acquiring a new customer. But the impact of poor quality does not stop there.

Consider too the impact on agent morale of an anticipated sales conversion, lost to a competitor, or the cost of supervisor's time in reviewing incorrectly completed calls, perhaps too the cost of the additional agent time required to make call-backs to check and re-check data which should have been made right in the first place, with the right approach to quality.

If you consider the case of a small contact centre with around fifty agents, taking 10 calls per agent-hour, over a seventy hour week; so potentially dealing with 1.75 million calls in a year, a two per cent error rate could result. Translated, this means that up to 35,000 calls could contain an error. Apply the £50 cost to each of those calls and you arrive at a potential cost of errors of £1.75 million, which is a truly frightening figure.

However, if the error rate is reduced to one per cent, the potential saving is £875,000. Take this further and reduce the error rate to the Six Sigma ideal of 3.4 errors in one million opportunities, or a 99.9997% accuracy rate and that annual cost of errors diminishes to an insignificant £300.

Six Sigma does not have to be used in isolation in the call centre. Used simultaneously in other parts of the organisation it can show how these departments interrelate and it can clearly identify room for improvement so that, you can put really practical changes into place and see what impact they are having overall on customer service. So, if you have say a manufacturing facility, there will be some stage at which it interacts with the contact centre, so it's a really useful test of how smooth this interaction might be and where there might be potential weaknesses.

The most common form of measurement used in the Six Sigma model is defined by the DMAIC

principles – or in other words, define, measure, analyse, improve and control. It's critical to be able to measure these functions as well as to be able to 'hear' the voice of the customer in order to gauge the need for a project and where better for this voice to be heard than in the contact centre? The customer voice is also necessary to determine the success of any such project; so another perfect reason for using it!

In the case of AXA Life, which successfully deployed the principles of Six Sigma into its ongoing quality programmes and contact centre improvements, found that fifteen per cent of calls were from customers who were 'calling back' because they did not get a satisfactory answer the first time around. The DMAIC principles showed that there was little or no process in place to manage and track 'call backs', as agents were measured on call duration rather than any qualitative measure relating to the call outcome.

AXA wanted to drive through its quality message in all aspects of its business and it was particularly keen to communicate the brand values of AXA Life to its customers, via conversations with customers to and from the call centre. However, without a process in place to evaluate the customer experience, how could it possibly achieve this?

It had already used Six Sigma in other parts of the business and this helped Sarah Rutherford, Head of Customer Service at AXA Life's Communications Centre and her colleagues to decide that it could also play an important role in changing the way things were done in the contact centre, for the better.

An important part of this implementation included the upgrade of AXA Life's call recording technology. It chose Verint's ULTRA because it enabled supervisors and team leaders not only a fast, digital way to store calls which could later be retrieved and played back but also sophisticated software to identify call patterns and a whole load of other important 'quality' data, that would provide endless opportunities to check to see what the customer was saying. It was clear that this would provide a lot of useful insight into the customer experience and also give the supervisors a very tangible way to help agents improve their call handling techniques.

As part of its Six Sigma implementation AXA introduced a robust call assessment strategy where all agents were reviewed at least fifteen times a month using Verint's ULTRA solution. The contact centres did away with all the typical call statistics and measurements and instead introduced quality measures relative to successful call resolution. Correlating measurements and targets for improvement were also assigned to managers and supervisors. AXA Life is now in a position to understand where issues occur within the contact centre and measure what really matters to the business.

Another improvement is the reduction in the number of 'failure demand calls' or customer delivery failure calls as they are now known which have been cut by fifty per cent which will in turn reduce call volumes by approximately 300,000 calls per year. This is where customers do not get the assistance they are looking for because say, the agent does not have the most up-to-date information to hand or where literature is unclear. In 2004 calls of this nature were identified through AXA's call assessment process, by listening to a sample of calls each month. In 2005 AXA plans to tackle the underlying causes of these calls to reduce them significantly.

And in terms of the overall benefits to the contact centre improvements in customer satisfaction reinforce to call centre agents that they are creating more satisfied customers and this is leading to improved morale overall.

Whilst it's hardly likely that a call centre will achieve the ultimate Six Sigma goal of 3.4 errors per million opportunities, reducing the current typical error rates is a very real and achievable goal, as AXA Life found out.

Whilst a contact centre in isolation can make some significant improvements, it's obviously best that a company wide recognition of the issues and an appreciation of the necessary culture changes and, mostly importantly, a desire to improve are used in tandem to ensure Six Sigma achieves the most it possibly can.

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