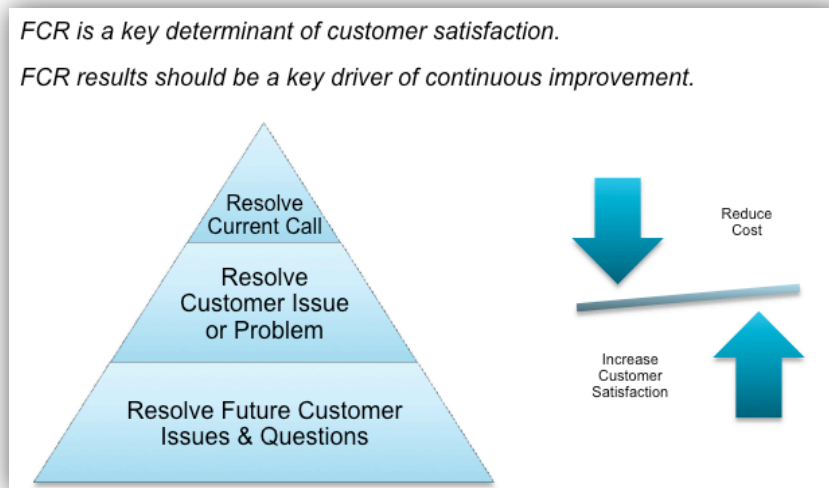


# First Call Resolution Customer Perception is Reality

First Call Resolution is perhaps the most powerful call center metric. A focus and improvement in FCR brings the best of both worlds—an improvement in efficiency and effectiveness. You don't have to worry that you are sacrificing quality because you are reducing costs, or vice versa. When you improve FCR you're improving quality, reducing costs, and improving customer satisfaction, all at the same time.



An 80% FCR rate sounds pretty good. However, an 80 percent FCR means your customers call you, on average, 1.2 times to resolve a question or issue. This 20 percent in “repeat calls” represents increased call volume, inflated operating expenses, and most importantly, dissatisfied customers. Dissatisfied customers are more likely to defect and more likely to tell others about their experiences.

Customers expect to bring a problem or question to your attention and have it resolved in a timely manner. Not all inquiries can be resolved immediately or on the first contact. However, advances in technology, increasing employee empowerment, and scrutinizing evaluation will increase the number that can.

How many of your customers' calls are resolved on the first contact? It sounds easy enough, however, many companies have found it difficult to define first call resolution, much less measure it consistently. Tactics to measure FCR vary greatly from company to company. Our survey confirms this. While some companies are measuring first call resolution, many are not and would like to. Many companies that are measuring FCR are struggling with the challenge of selecting the best measurement approach for their organization.

Can you tell how frequently your customers contact your company? Can you identify repeat calls? Can you segment FCR by type of contact? Can you ask your customers if they think their concern was resolved and how many contacts were required? This is the type of information you'll need to effectively measure First Call Resolution.

Find out if your customers think their issues and questions are being resolved on the first contact. After all, your customers are the ones calling you.

## **Benchmark Study of First Call Resolution**

To better understand how companies and different industries are approaching First Call Resolution, the Ascent Group conducted its fourth annual benchmarking study to evaluate First Call Resolution performance and measurement. More than 100 companies from 14 industries, representing 19 countries, participated in the research. The following pages summarize the study's objectives, findings, and recommendations.

### **Study Objectives**

The main objective of the study was to evaluate the various approaches to measuring First Call Resolution and to identify best practices or opportunities for improvement. Secondary objectives included understanding:

- The range of First Call Resolution performance by company and by industry,
- Strategies for driving improvement in First Call Resolution,
- How first call resolution factors into individual, team, and center-level performance objectives and compensation, and
- How companies are promoting the importance of first call resolution throughout the organization.

Participants were asked to share the history of their first call resolution measurement approaches, as well as identify any improvement in performance. The study also asked companies to include considerations, successes, and plans moving forward.

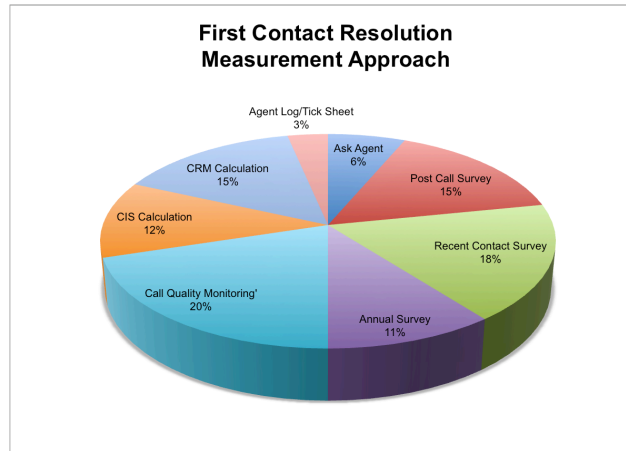
### **Study Observations**

Study participants range in size from 22,800 calls handled per year to as many as 295 million. Industries represented in the study include:

- |                      |                     |
|----------------------|---------------------|
| • Financial Services | ▪ Services          |
| • Government         | ▪ Tech Support      |
| • Insurance          | ▪ Telecom           |
| • Manufacturing      | ▪ Utilities         |
| • Retail             | ▪ Outsourcing       |
| • Healthcare         | ▪ Consumer Products |
| • Publishing         | ▪ Transportation    |

Participants report first call resolution rates from 30 percent to 98 percent, indicating varying degrees of maturity in FCR measurement as well as complexity in call type by company and by industry. The bulk of participants (67 percent) have been measuring first call resolution for 3 years or less, indicating the relative immaturity of this measurement technique across industries.

The majority of participants (75 percent) rely on a multi-measure approach to gauge first call resolution. Customer Satisfaction Surveys (44 percent) and Call Statistic Calculations (32 percent) are the most frequently used approaches to measure First Call Resolution in this year's participant group.



Only 20 percent of participants measure first contact resolution through call quality monitoring while even fewer participants are relying on agent logs or asking agents to determine if the call has been resolved (9 percent).

## What Did We Learn?

**Measure and Track FCR Performance.** 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.

**First Call Resolution is an Important Customer Satisfaction and Cost Driver.**

Customers contacting a company with a problem or issue expect it to be resolved correctly in the timeliest manner. No one likes calling back to explain the same problem over and over, nor are they happy when it hasn't been resolved to their satisfaction. Repeat calls are costly to the bottom line and to customer satisfaction. According to a recent ACSI study, half of customers with unresolved issues are at risk of defection, or have already decided to leave.

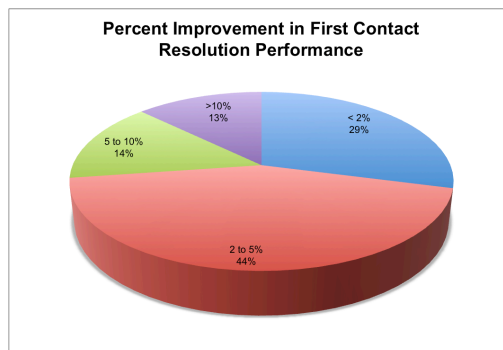
**The Customer Perception of First Call Resolution is Most Important.** Our research identified four primary ways of measuring First Call Resolution—customer surveying and three other approaches that deliver internal approximations of First Call Resolution. While each approach has its uses, ultimately, the customer's evaluation of issue or contact resolution is what matters most. Our participants are recognizing this—the most popular way to measure First Contact Resolution among our panel was through customer surveying (44 percent of participants). Make sure you ask your customers how well their issues and concerns were resolved.

**FCR measurement techniques must be reflective of customers' values and expectations.** Try to view first call resolution from the customer perspective. Make sure you know what your customers' expect and respond accordingly. Do everything you can to make sure your customers' questions and concerns are resolved promptly and accurately. Conduct focus groups, customer needs assessments, and other surveys to gather the feedback necessary to understand expectations and performance. Do not assume you know what your customers want.

**Multi-Source FCR Measurement Approach Is Best.** Because it can be challenging and costly to measure first call resolution, a multi-measure approach is more flexible. For instance, customer satisfaction surveys can be used to determine overall FCR performance, by call type, while call quality monitoring results can deliver agent-level FCR performance and at the same time, point out developmental improvement opportunities. Internal call statistics can be used to calculate repeat-call performance, and if your system permits, agent and team level repeat-call performance. Try a set of measures to gather as much information as possible about your customer service response.

**Use First Call Resolution Results to Drive Improvement at all levels.** FCR performance is an excellent driver of operational improvement—the more actionable your measures, the better your results. Measure FCR performance by call type, by agent, by team, by work group to gather as much information about your customer service delivery as possible. Measuring FCR performance overall provides good feedback about the overall performance of your center. Measuring FCR performance by team or center enables inter-company performance comparisons and encourages the adoption of internal best practices. Measuring FCR performance by agent provides actionable information that is useful in determining coaching and developmental needs. It also makes agents more aware of the importance of FCR and encourages accountability. Use the results to drive improvement by identifying call types and supporting work processes that need improvement. Examine process flow, technologies, work rules, and policy to highlight roadblocks, hurdles, and other FCR deterrents.

**Most Companies Actively Measuring First Call Resolution Are Experiencing Improvement.** Sixty percent of companies measuring FCR performance for more than one year reported improvement in their performance. Those reporting improvement ranged from 1 to 30 percent with an average annual gain of 2 percent. Improvement in First Call Resolution is Most Closely Tied to Process Improvement and Streamlining, Root Cause Analysis, and Improved Awareness and Communication of FCR Results.



**Promote and Emphasize First Call Resolution.** Make sure your employees recognize the importance of first call resolution to the customer and the company. Our panel companies promote First Call Resolution most often through training and coaching, call quality monitoring, and as an agent-level performance metric. Routinely discuss FCR performance and the impact of repeat calls and rework. Review FCR performance during coaching and other one-on-one sessions. Communicate agent, team and center-level results frequently to focus attention and rally the forces. Including FCR as a component in agent performance also holds agents accountable for their FCR performance.

Actively promoting FCR importance increases agent awareness and involvement. Agents have a better understanding of FCR and how it impacts the customer and the bottom line. Training and coaching efforts can address individual agent capabilities and improvement needs. Build FCR into new hire training, refresher training, and remedial training.

**Give Agents the Proper Training, Authority, and Tools to Encourage Higher First Call Resolution.** Invest in your front-line—provide them with the tools, authority, and training to get the job done right the first time. Help them view service from the customer perspective so they can determine how best to serve the customer. Often times, low first call resolution performance is a result of under-trained or unsupported agents—they don't have the skills or information they need to resolve the request or problem.

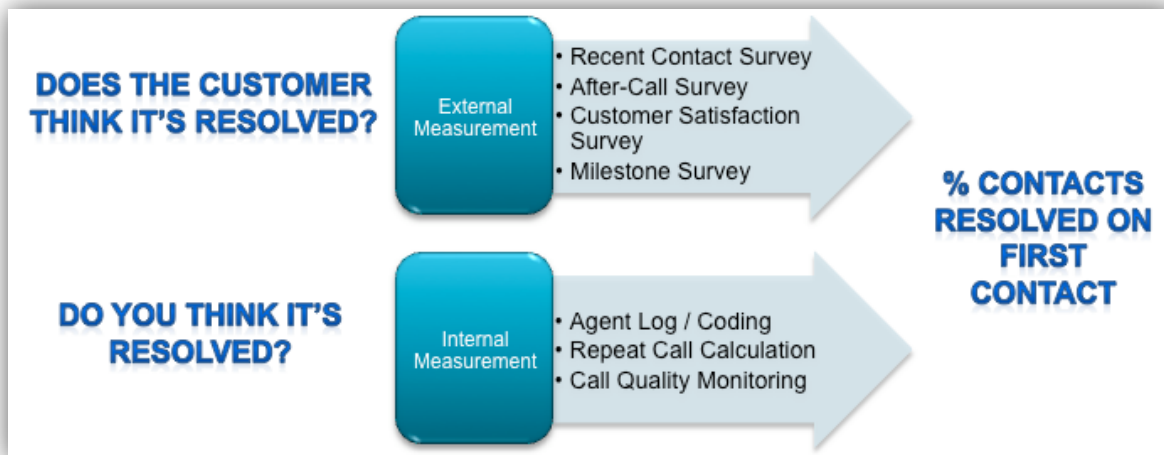
**Incorporate FCR Measures into Employee Compensation and Incentive Plans.** Include agent FCR performance as a component in the annual review process—as a basis for compensation and rewards. As with any measure, be careful to balance with other measures to make sure all around good performance is delivered and service isn't compromised in the pursuit of the best measure—that agents know when to escalate a call or assign it to further investigation.

**Ask Callers if their “Issue Has Been Resolved” at the End of the Call.** While on the surface this technique might appear to make call handle times longer, the payoff appears to be high—reduced repeat calls, increased customer satisfaction, increased agents' awareness of customer needs, and immediate identification of unresolved issues. Technology-based after-call surveys also provide fairly immediate customer satisfaction feedback which can be easily incorporated into a FCR measurement program.

Additionally, this approach offers the opportunity to close the interaction on a positive note, affirming that the caller's needs were met. Any unresolved issues can be addressed, reducing repeat calls. After-call surveys also provide fairly immediate customer satisfaction feedback which can be incorporated into a FCR measurement.

## Conclusions

Measuring first call resolution is the first step towards improvement. Easier said than done. Due to the nature of what is being measured—an outcome—it presents a challenge. Our research identified four primary ways of measuring—three of which are internal approximations and the other, relies on external customer feedback and perception. While each approach has its uses, ultimately, customer perception is king in FCR, i.e., the customer's evaluation of issue or contact resolution is what matters most.



Additionally, customer surveys have the potential to find out whether the issue was ultimately resolved while internal metrics measure call resolution or incidents of repeat calls rather than issue resolution. Internal measurement can only assume, by the lack of a repeat call, that the call and issue was resolved. You really don't know for sure if it was resolved or if the customer just gave up, unless you ask the customer. And the timing of when you ask the customer is important too—has everything happened that needed to happen to resolve the problem?

Internal FCR metrics are necessary for root cause analysis and process streamlining. Call quality FCR determinations and FCR call stats are great for identifying training and coaching needs, and process improvement opportunities. Most CRM systems facilitate the tracking of customer contact. That is after all the goal of a customer relationship management system—to know everything possible about customers and their interaction with the company. Other customer support systems may not be structured to track and measure contacts and resolution.

Agent logging can help gather FCR performance by call type, however it's really not appropriate for measuring individual agent performance due to the built in bias of agents determining whether the calls they handled were resolved or not. If you do use agent-driven measurement, audit the results periodically and/or use it in combination with another measure, such as a customer satisfaction measure of FCR.

Keep in mind that internal metrics are more prone to manipulation and may be more self-serving, depending upon how the data is collected, the scope, the qualifying window, repeat-call calculation definition, and subjectivity of the determination. Internal metrics are also subject to data integrity issues due to the difficulty of collecting and manually categorizing the data.

Ultimately, customers are more concerned with issue resolution than call resolution. Recognizing this, customer surveying should be geared to the type of issue that was reported. For instance, if it was a billing concern, it makes the most sense to contact the customer for resolution feedback after they have received the next bill rather than 2 days after they called the contact center. They may think their issue has been resolved but don't really know for sure until they see the correction on the next bill. An after-contact follow-up surveying approach that is geared to check back with the customer after a milestone has been accomplished probably makes the most sense.

Repeat-call calculations, agent logging and tick sheets, and call quality-monitoring determinations are all approximations of customer opinion. Most companies have found that internal first call resolution measures are overstated—the customer's view of first call resolution is usually lower than an internal measurement. In other words, don't get too comfortable with your measurement of your performance, ask your customers too. If you're primarily relying on internal measures, use customer feedback periodically to calibrate your performance.

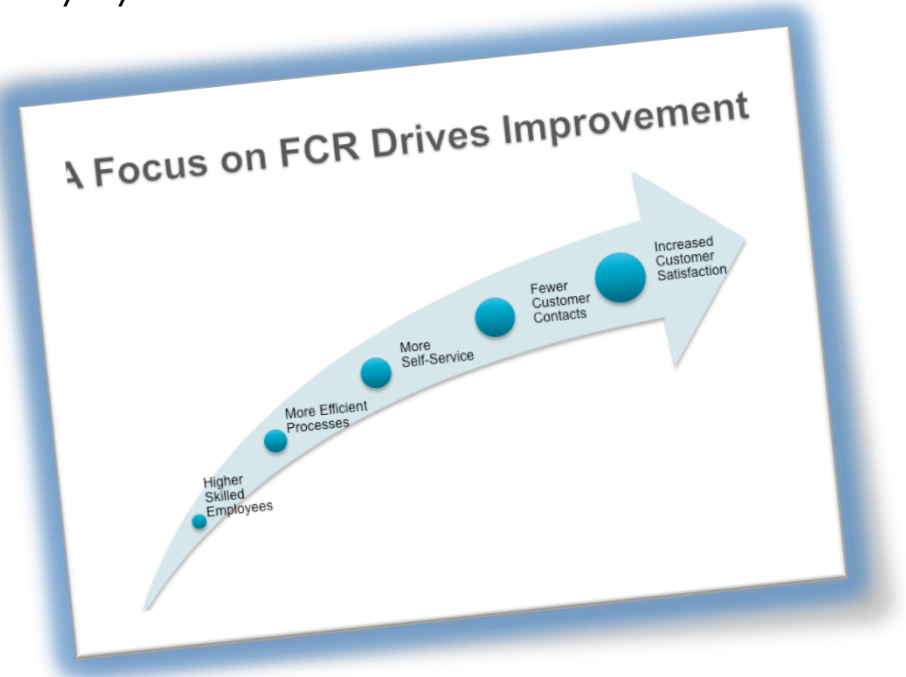
Communicate FCR prominently throughout your organization—importance, performance, successes, and challenges. The more your agents know and are involved, the more success you will achieve. Companies reporting significant increases in first call resolution were actively promoting FCR through communications, training, involvement, and recognition.

Use your FCR performance results to drive continuous improvement. Measure FCR at an actionable level—by call type and customer segment, if possible. Use the results to pinpoint the processes that support each call type and customer segment. Work to streamline the process and remove roadblocks to increase performance. Review policies, guidelines, and supporting technologies to identify opportunities for improvement.

Continually review your performance and other customer feedback to make sure your FCR measurement program is on track. Achieving First Call Resolution will be reflected in your customer satisfaction ratings and ultimately in your bottom line.

Track FCR performance and other operational metrics that demonstrate the impact to employees, management and senior management. Increasing the visibility and importance will have a positive impact on performance.

Keep an eye on what other companies in your industry and other industries are doing to measure, track and improve first call resolution performance. Participating in a research effort such as this one is an excellent way to stay on top of the latest techniques.



## About The Ascent Group

For more information about our First Call Resolution research, visit our website at [www.ascentgroup.com](http://www.ascentgroup.com). The Ascent Group offers many opportunities for your company to participate in benchmarking and best practice discovery through its online benchmarking services:

- Call Center Operations
- First Call Resolution
- Call Quality Monitoring
- IVR Technology
- Outage Call Handling
- Credit & Collection
- Billing & Payment Services
- Remittance Processing
- Meter Reading
- Business Office Operations

Other research reports published by the Ascent Group include:

- Call Quality Practices
- Achieving First Call Resolution
- IVR Improvement Strategies
- Reward & Recognition Program Profiles & Best Practices
- Improving Frontline People Processes: Recruitment, Training & Performance
- Billing and Payment Profiles & Best Practices
- Meter Reading Profiles & Best Practices
- Improving Field Services
- Call Center Strategies



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