

THE VALUE OF HEALTHCARE CONTACT CENTERS: WHAT EXECUTIVES NEED TO KNOW



An executive primer on service level and other essential contact center concepts.

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This is the second article in a new series by Kathleen Peterson on the changing healthcare environment and the requirements that business leaders must address.

The healthcare contact center has existed for decades, but only in recent times has it truly emerged as significant from a strategic perspective (see the first article in this series, “The Changing Landscape of Healthcare: The Contact Center as Strategic Asset,” *Pipeline*, January 2017). This places new requirements and a higher degree of understanding at every level of leadership.



Healthcare Call Center Times’ “2015 Healthcare Call Center Survey” found that demand for healthcare contact centers continues to grow, consolidation of functions continues to happen, and technology advances offer more and more options to callers. In spite of all that, the No. 1 challenge identified in the survey is that fewer than 10% of those responding feel they have “tangible” executive-level support. This “primer” is designed to offer executives “tactical” understanding of the healthcare contact center, a critical requirement when it comes to providing “tangible” support in the form of budget, resources and technology.

We will focus on one of the most important

tactical elements of contact center growth and development—that is “service level.” When it comes to contact center performance, most executives are familiar with this term. As I have witnessed many times, they are less familiar with the real power of service level as a major factor in the tactical execution of contact center services. While service level has long been seen as a measurement tool, its primary strategic mission is to serve as a strong and stalwart planning tool. It is the foundation without which realistic budgeting and staffing are at risk.

Service Level: What Is It?

The true purpose of service level is as the backbone of the contact center planning process. Without it, executive leaders are unable to effectively and responsibly fund and evaluate their contact center operations.

Service level is stated as X% of calls answered in Y seconds. Essentially, this is a contract that we make with ourselves, promising that we will answer a percentage of our calls within a specific threshold. A common service level is 80% of calls answered in 20

seconds or less. While common, this is not a *standard* service level. Unless you are under contractual or regulatory obligation, service level is a target that is established by *you* based on internal factors: call value, labor and facilities costs, caller tolerance and expectations, and your organization’s “experience strategy” (brand).

There are NO industry standards for service level because there is NO contact center governing body. Leaders must recognize that ANYONE can declare anything an industry standard without fear of being challenged because there is no one to sanction or dispute such a claim.

Service Level and Caller Tolerance

Let’s face it, 80/20 is common in customer service operations, including those in healthcare. We tend to see higher service levels in sales and marketing environments because we assume a lower tolerance for delay. Caller tolerance is influenced by various factors; among the most compelling is motivation of the caller. New callers have less tolerance than those already “in” the system who may have no choice but to hang on. (This is why low abandon rates are not necessarily proof of good service.) Consumers today base expectations for delay on their overall “blended” experiences in the market place. If L.L. Bean can answer my call quickly, why can’t my physician?

When contact center leaders establish a service level, they are essentially asking, “How long is long enough” to delay a call from being answered before we damage the strategic elements of our consumer’s experience. Service level not only impacts callers in terms of delay, it affects frontline agents in terms of

how they are used (utilization).

When staffing and resource planning are not linked to service level, the result is often understaffing and agent burnout. This potentially causes high turnover, errors and poor quality. The ultimate impact that executives really care about is loss of market share due to ACCESS and experience issues. I'm not simply speaking of ACCESS to an appointment, but also ACCESS to even booking an appointment!

For our healthcare clients, we have found that the process of determining appropriate service level is best performed by convening an informed and varied group to identify objectives, consider tolerance factors, and evaluate options across multiple contact centers. For example, it may make sense for visiting nurses or marketing to have a higher service level because their callers have a lower tolerance. To be truly effective, service level must link resources to results and be the focus of all planning initiatives.

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Service Level Trade-offs

Like anything else, there are trade-offs; the higher your service level the lower your agent productivity. Think about the implications of having only one person servicing a very lengthy line at the airport; the delays are significant. On the other hand, if there are 15 people at the counter there are few delays for the travelers but extreme costs and low asset utilization for the airlines. The same is true for healthcare contact centers. Too few people allocated and the caller suffers; too many and the enterprise costs skyrocket. This is why the proper use of service level as a planning tool puts the right number of people in the right place at the right time! This is the essence of contact center management.

Group size is another factor to consider. Smaller groups have lower productivity at any service level. Contact centers that choose to organize into several small groups dedicated to particular functions (e.g., specialties, physicians, clinics, locations) find endless challenges to gaining efficiencies, managing cost and achieving service level.

Once proper understanding and use of service level is established as a planning tool, executives can trade off viewing multiple reports by knowing that service level represents the caller's delay, average speed of answer, agent utilization, and over time, an association to the percentage of call abandons which correspond to the service level.

Understanding Caller Abandons

Since caller tolerance directly impacts caller abandon (i.e., disconnect), each contact center operation must study its own caller behaviors as they relate to service level. It is unwise to believe that if you have an 80/20 service level across multiple centers you will experience the same abandonment percentages unless all callers have the same tolerances. Since this is unlikely, executives must digest the fact that performance standards in this area may vary.

Keep in mind that "abandon is a response to a condition and not a condition in and of itself." The only way to "fix" abandon is to "fix" service level; the only way to "fix" service level is to study the plan to determine where and how it went wrong.

Service Level Planning Factors

There are a few other planning elements that also must be clearly understood. First and foremost, executives must understand that handling the call load in an inbound contact center environment is not the same as in other departments. Quite simply, we don't know when the work and how much of the work will arrive at any given time. There are periods when no calls arrive and just moments later the center is slammed! This is the nature and reality of a *randomly arriving workload*. Planning in the contact center begins at the interval level: total call volume arriving within half hour intervals and captured at the group level throughout the day.

It is good news when data is properly analyzed and patterns emerge. Resources can now be allocated against arrival patterns. This improves the likelihood of "hitting" service

level throughout most of the intervals within the day.

Executives must also keep in mind that traditional math models do not apply to contact center staffing. Some choose to believe calculations such as, "if 1,000 calls arrive in a day and each agent can handle 100 calls, quick math suggests that 10 agents are sufficient." This method has a multitude of problems; there is no way to forecast the caller's experience (service level) or to determine the agent's utilization. Most troubling is that the "formula" does not address *random call arrival*. If 600 calls arrive in the first three hours of the day, this model breaks down immediately and results in unrecoverable failure. The contact center industry worldwide utilizes the Erlang C model for staffing; it is the basis for all workforce management systems. (No-cost Erlang C calculator available at www.powerhouse1.com.)

Getting Service Level Right

The key to achieving service level in the contact center is in understanding that careful planning must be done and proper tools and skills employed if you really want to get it right. Executives and business leaders play an important and fundamental role. For some, it is establishing a centralized planning group to assist in this task. For others, it is hiring and staffing the contact center with analysts that are responsible for forecasting, resource planning and reporting.

Leaders in contact center organizations from the C-level to cube-level must understand service level: what it is, how it is used, and its contribution to the overall success of the center. They must be able to ask how service level was determined, what factors were considered and how staffing needs were calculated. Only then do have the complete story. ●



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Centralized
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