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IDIOM INSIGHTS
KATHLEEN M. PETERSON,
POWERHOUSE CONSULTING, INC.

IS YOUR CONTACT CENTER OVEREXERCISED?

The importance of understanding the impact of underestimating and under provisioning the Contact Center.

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THE IMPORTANCE OF UNDERSTANDING THE IMPACT OF UNDERESTIMATING AND UNDER PROVISIONING THE CONTACT CENTER.

BY KATHLEEN M. PETERSON, POWERHOUSE CONSULTING, INC.

> ***IT IS IMPORTANT TO EXAMINE YOUR BUDGET FOR TRAINING AND COACHING HOURS ALLOCATED PER AGENT PER YEAR.***

Boeing CEO David Calhoun made a statement recently about Boeing's safety issues. He spoke of an "overexercised"[1] supply chain and factory and this has sparked conversation. In today's landscape of transformational vocabulary, even mundane terms get revamped; "overexercised" might become a classic CEO quote.

Remember when "ask" turned into a noun? Now, we are deep into "narratives." What is next? Well, "overexercised" seems to describe a corporate condition that leads to quality issues. If CEOs like to talk about being "overexercised" it might be time to adopt the phrase when discussing the impact of being **under**funded, **under**staffed, **under**managed, **under**mined, or **under**appreciated. If it is good enough for the CEO, it should suffice when presenting needs to other executives.

Boeing's troubles stem from cutting corners to boost profits. According to reports, that has worked well financially. Departing CEO Dave Calhoun walks away with a significant payday, with even more potential if the next CEO can "raise the stock price".

[1] *https://www.merriam-webster.com/dictionary/overexercise#:~:text=verb,intensely%2C%20or%20for%20too%20long*

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It is not just profits and executive compensation tied to bypassing quality that are concerning. It is also the ongoing incentives to "boost the stock price" that led to this situation in the first place.

The situation extends beyond Boeing to many organizations run by accountants focused solely on the bottom line. This narrow focus often overlooks the risks of cutting costs, particularly for staffing and training. While cuts may show short-term gains, the negative impacts take longer to manifest. This leads to what can be termed as an "overexercised" operation.

Perhaps it is more akin to an exorcism, with staff and management abandoning ship under strenuous conditions and causing further chaos. Now more than ever, it is crucial to make a case to senior management about the importance of understanding the impact of underestimating and under provisioning the Contact Center.

Here are several negative impacts of "overexercised" Contact Centers.

Quality Declines – Cost-cutting measures often result in reduced resources such as fewer staff members and limited access to training and development opportunities. This reduction can lead to a decline in quality as agents may struggle to effectively handle customer inquiries or lack the necessary skills or will to address complex issues.

It is important to examine your budget for training and coaching hours allocated per agent per year. If these resources are not included in the budget, they will not be factored into shrinkage calculations. As well, they are unlikely to be prioritized in staff scheduling or considered a measure of management's commitment to staff development. Unfortunately, training and coaching sessions are frequently cancelled in Contact Centers, contributing to a poor Customer Experience and agent job dissatisfaction.

Risk to Customer Experience and Brand – Decreased quality jeopardizes both customer satisfaction and brand reputation. Lengthy wait times, unresolved issues, inadequately trained agents, and lackluster support leave customers frustrated and lead to negative interactions and a loss of loyalty. In today's interconnected world, dissatisfied customers are quick to share their experiences; this amplifies the impact on the company's reputation. Take, for example, the scrutiny faced by Boeing when profit-driven decisions compromised quality and safety, leading to global awareness of the consequences.

To address risks, it is crucial to monitor social media channels and review contact recordings to identify areas of friction in the Customer Experience journey. Collecting evidence allows you to build a compelling case and frame findings and recommendations around the Customer Experience and quality objectives that are key at the executive level. Evaluate whether the Contact Center has been allocated sufficient resources to meet customer expectations and maintain brand integrity. If it has not, you must take the bold step of clearly saying so!

Higher Employee Turnover – Cost-cutting measures such as layoffs, hiring freezes, forced overtime, or reduced benefits can create a stressful work environment for Contact Center agents. This, coupled with increased workload and limited opportunities for career advancement, can lead to higher employee turnover rates. High turnover not only disrupts operations but also increases recruitment and training costs. With very low unemployment rates, it is a poor choice to be a bad employer in this market.

Negative Impact on Employee Morale and Engagement – Morale and engagement levels suffer when employees feel undervalued or overworked (i.e., "overexercised") due to cost-cutting



measures or poor forecasting and planning. Low morale can lead to decreased productivity, higher error rates, repeat calls, absenteeism, and a lack of motivation to provide excellent Customer Service. A disengaged workforce is less likely to go above and beyond for customers; this further exacerbates quality.

Loss of Business Opportunities – Inadequate resources and reduced quality can result in missed opportunities to up-sell or cross-sell products and services. Additionally, dissatisfied customers are less likely to repeat purchases or recommend the company to others. This leads to a loss of potential revenue and market share.

Entropy: The Unraveling of Overexercised Contact Centers – Entropy, a term denoting the degree of disorder in a system is the ultimate state of inert uniformity[2]. It paints a poignant picture of the fate awaiting Contact Centers ensnared in external struggles. As pressures mount, the risk is that these Centers slide into a state of inertia. They become slow, apathetic, and unable to navigate turbulent waters beyond their borders.

Pressures often manifest in the form of executive decisions that prioritize budget allocations and result in insufficient staffing levels and a compromised Employee Experience. The toll is felt throughout the organization … from inadequate training and coaching to subpar benefit packages.

Lack of control or input for crucial elements such as technology, desktop configurations, ACDs, workforce management, quality monitoring, and reporting tools further marginalizes the Contact Center management team. This limits its ability to innovate and adapt, as well as contributes to a sense of entropy as management struggles to effect meaningful change within the confines of an unyielding enterprise model.

> ***TO ADDRESS RISKS, IT IS CRUCIAL TO MONITOR SOCIAL MEDIA CHANNELS AND REVIEW CONTACT RECORDINGS TO IDENTIFY AREAS OF FRICTION IN THE CUSTOMER EXPERIENCE JOURNEY.***

[2]*Derived from https://www.vocabulary.com/dictionary/entropy*

Over time, consistent underfunding or under provisioning erodes quality across every facet of the Contact Center, from strategic decision-making to frontline agent performance. Eventually, a state of entropy sets in and renders the Center impotent in its efforts to achieve even the most modest objectives.

> ***PRESSURES OFTEN MANIFEST IN THE FORM OF EXECUTIVE DECISIONS THAT PRIORITIZE BUDGET ALLOCATIONS AND RESULT IN INSUFFICIENT STAFFING LEVELS AND A COMPROMISED EMPLOYEE EXPERIENCE.***



To address these challenges proactively, it is imperative to underscore the urgency of making a compelling case to senior management. By framing the situation as one of being "overexercised," we encapsulate the strain placed on the Contact Center due to external pressures and resource limitations.

Many senior leaders fail to grasp the cause-and-effect dynamics at play within the Contact Center. They overlook the direct correlation between staffing levels and Customer Experience outcomes. By curtailing resources, leaders inadvertently force a reckoning of Customer Experience objectives that compels a realignment with diminished capabilities.

It is incumbent upon us to initiate a dialogue with senior management about the ramifications of resource constraints on the Customer Experience. We must prompt leaders to consider the trade-offs involved and delineate what aspects of the Customer Experience they are willing to sacrifice in pursuit of cost savings. Through this discourse, we can advocate for a more nuanced approach—one that balances fiscal prudence with a steadfast commitment to delivering exceptional Customer Service and safeguards the long-term success of the organization.



Kathleen M. Peterson is the Chief Vision Officer of PowerHouse Consulting, a call center and telecommunications consulting firm. www.powerhouse1.com
@PowerHouse603

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