



Global Benchmarking Series, 2022

Contact Center Efficiency and Cost Management

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01

Introduction

- Preface
- Key Findings

Preface

According to our research, managing cost is the second most common global challenge that CX leaders face. With staff costs typically making up approximately 70% of a contact center's total costs, it is vital for managers to regularly monitor and manage a broad spectrum of cost and efficiency metrics within their operations.

The efficiency metrics required by the COPC CX Standard (utilization, occupancy and average handle time) provide operations with a wide-ranging view of their contact center's efficiency. The COPC CX Standard helps workforce planners and the operational management team make staffing decisions and includes input and information for forecasting and capacity planning. Our research indicates that although CX leaders have implemented these basic efficiency metrics, not all call centers measure them. We would encourage all managers to find a way to implement these metrics into their operations.

In addition to these efficiency metrics, we find that CX leaders are frequently using cost-specific metrics such as cost per contact or cost per customer to help them understand their performance. Tying together the cost and efficiency metrics and other operational metrics that focus on customer satisfaction, service and quality will help provide each operation with a 360-degree view of its performance. Doing so will help organizations achieve high performance.

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Key Findings

Focus on costs and efficiencies

- 31% of respondents state that costs are an aspect included in the theme of their statement of direction.
- A significantly lower percentage of respondents from in-house contact centers stated they analyze cost-related data while developing their annual business plans.
- Improving efficiency is a bigger challenge that organizations face when compared to other service delivery challenges.
- 59% of respondents stated their organizations had conducted a service journey mapping recently.

Metrics

- 10% of respondents said their organizations do not forecast volumes for inbound calls, chat or emails.
- 15% of respondents said their organizations do not forecast handle times for inbound calls, chat or emails.
- 80% of respondents said their organization used historical data to forecast shrinkage.
- 57% of respondents stated their organizations measure the overall cost of service delivery for both human-assisted and self-service technologies.



02

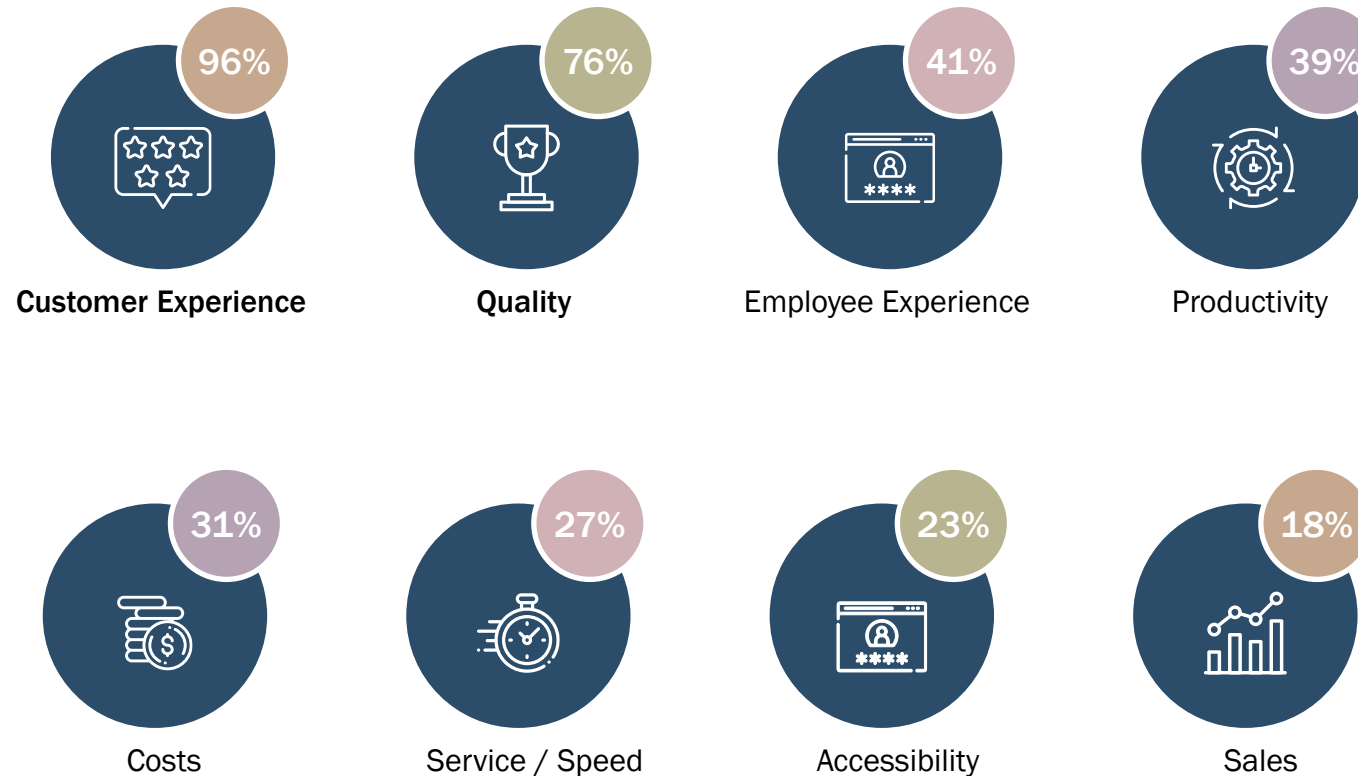
Focus on Contact Center Efficiency and Cost Management

- **Cost is an Integral Part of an Organization's Statement of Direction**
- **Cost-Related Data are the Top Two Themes Included in Annual Business Plans**
- **Objectives**
- **Challenges to Address**
- **Customer Journey Mapping Helps Organizations to Improve Efficiencies**
- **Use of Artificial Intelligence (AI) at Contact Centers to Address Cost and Efficiency-Related Aspects is Common**

Cost is an Integral Part of an Organization's Statement of Direction

Which of the following themes does your statement of direction address? (Select all that apply)

Although **customer experience** and **quality** emerge as the top two themes included in an organization's statement of direction, 31% of respondents state that costs are an aspect included in the theme of the statement of direction.

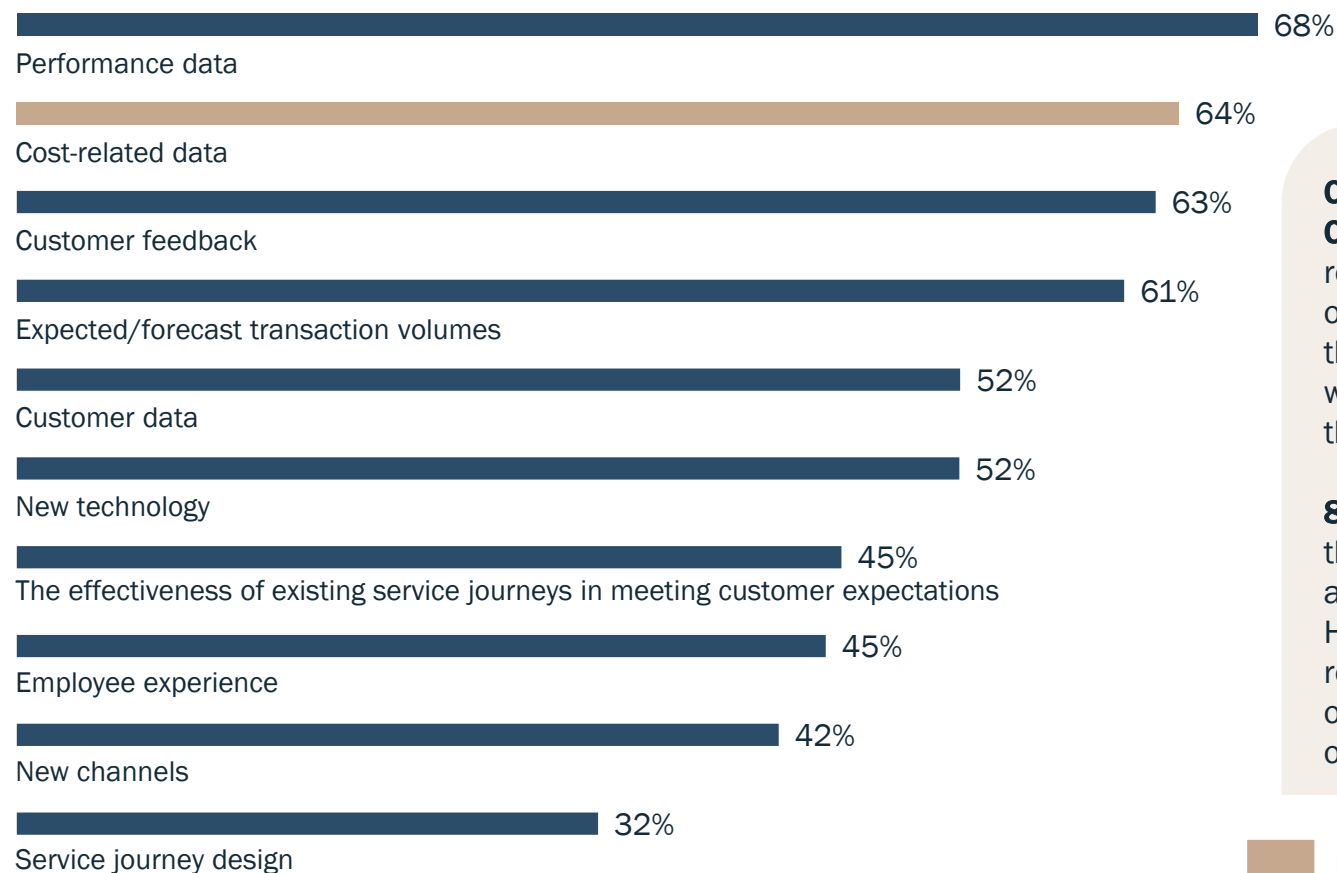


The COPC CX Standard for Contact Centers, 7.0 requires customer care organizations to have a statement of direction addressing customer experience and at least one of the following: employee experience, service, quality, sales (revenues) and costs.

96% of respondents mentioned that customer experience is included in their statement of direction. **88%** of respondents stated that their organization's statement of direction also included at least one or more themes.

Cost-Related Data is One of the Top Two Aspects Included in Annual Business Plan Themes

When developing annual business plans for your contact center, which of the following aspects do you analyze? (Select all that apply)

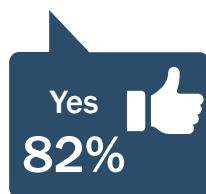


COPC CX Standard for Contact Centers, 7.0 requires customer care organizations to ensure they create a business plan with analysis on these themes.

82% of respondents stated their organizations develop an Annual Business Plan. However, **only 6%** of respondents stated their organizations analyzed all of these aspects.

Efficiency/Cost-related aspects

Does your organization develop an Annual Business Plan for your contact center operation?



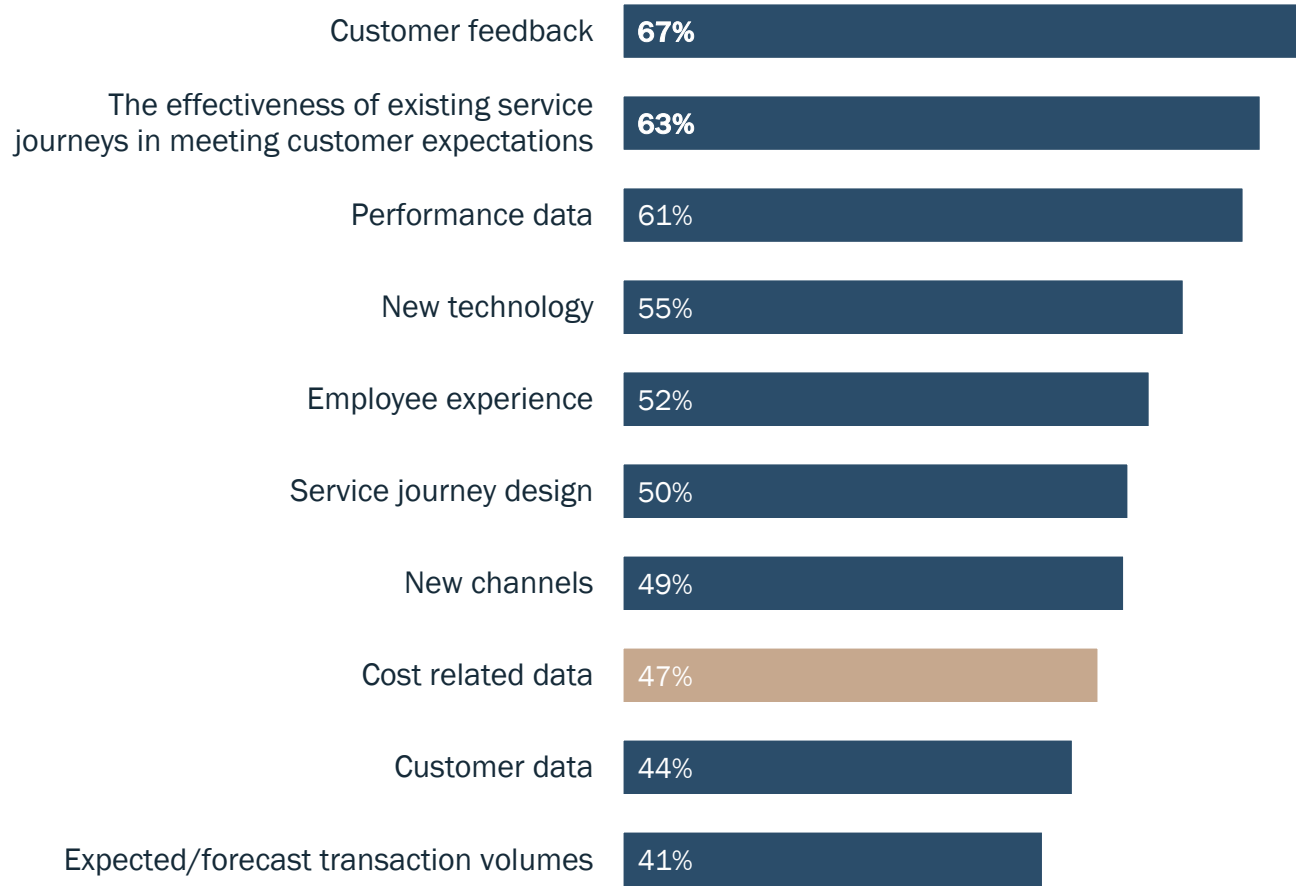
The majority of respondents stated their organizations develop an annual business plan.

The top two aspects that organizations analyze when developing annual business plans include cost-related data.

A significantly lower percentage of respondents from in-house contact centers stated they analyzed cost-related data while developing their annual business plans.

Objectives

Which of the following strategic objectives are you focused on over the next 24 months? (Select all that apply)

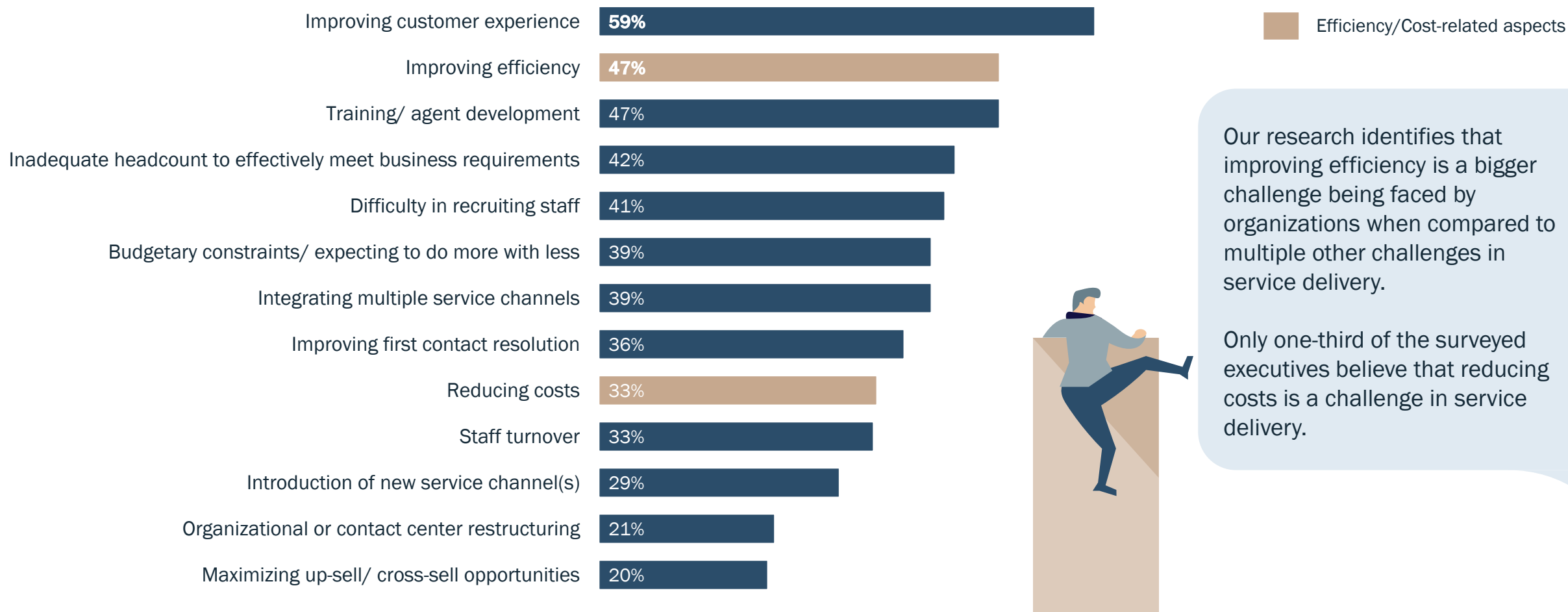


Cost-related data has been stated as a strategic objective over the next 24 months by almost half of the respondents. While this makes cost-related data less of a focus as an objective over the next few months, it also shows that organizations are starting to look at other objectives as well to deliver seamless CX beyond just costs.

 Efficiency/Cost-related aspects

Challenges to be Addressed

Which of the following challenges is your organization facing in service delivery? (Select all that apply)



Customer Journey Mapping Helps Organizations to Improve Efficiencies

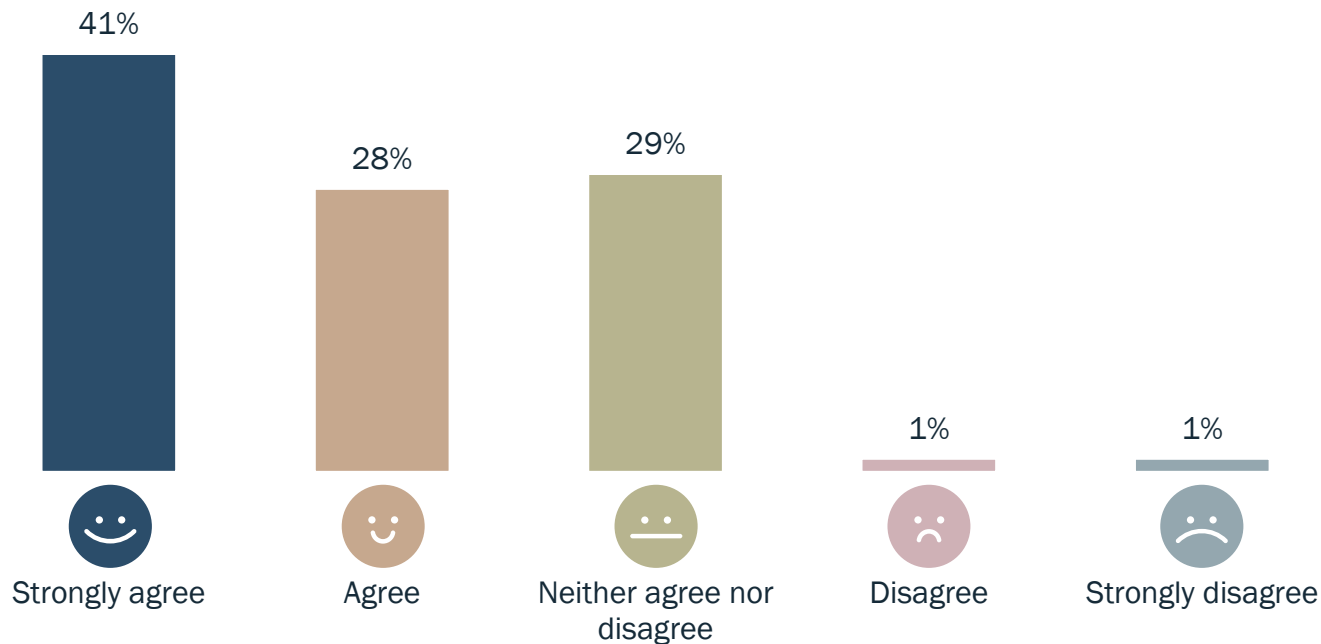
Has your company conducted any service journey or customer journey mapping projects in the last 12 months?

Yes **59%**

No **25%**

Don't know **16%**

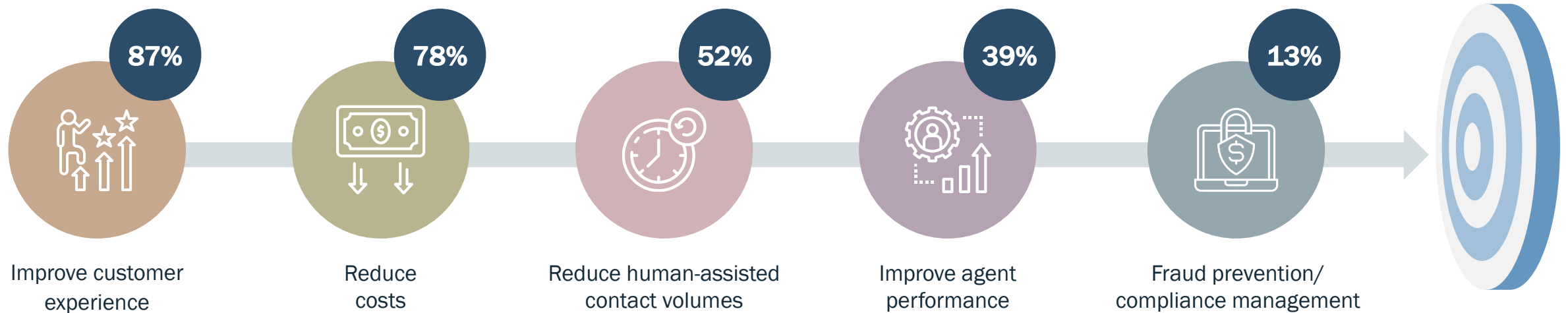
How strongly do you agree that the journey mapping project has helped your organization to improve internal efficiencies?



59% of respondents stated their organizations have conducted a service journey mapping recently: 69% of these respondents believe journey mapping has helped their organization improve internal efficiencies.

Use of Artificial Intelligence (AI) at Contact Centers to Address Cost and Efficiency-Related Aspects is Common

Which objectives are you primarily trying to accomplish with your use or future use of AI-powered solutions? (Select all that apply)



While **improving customer experience** emerges as the top objective for implementing AI-powered solutions, **reducing costs** emerges as the second most stated objective behind the deployment of AI-based solutions. Organizations are investing in technology to cut down on costs related to human-assisted channels.



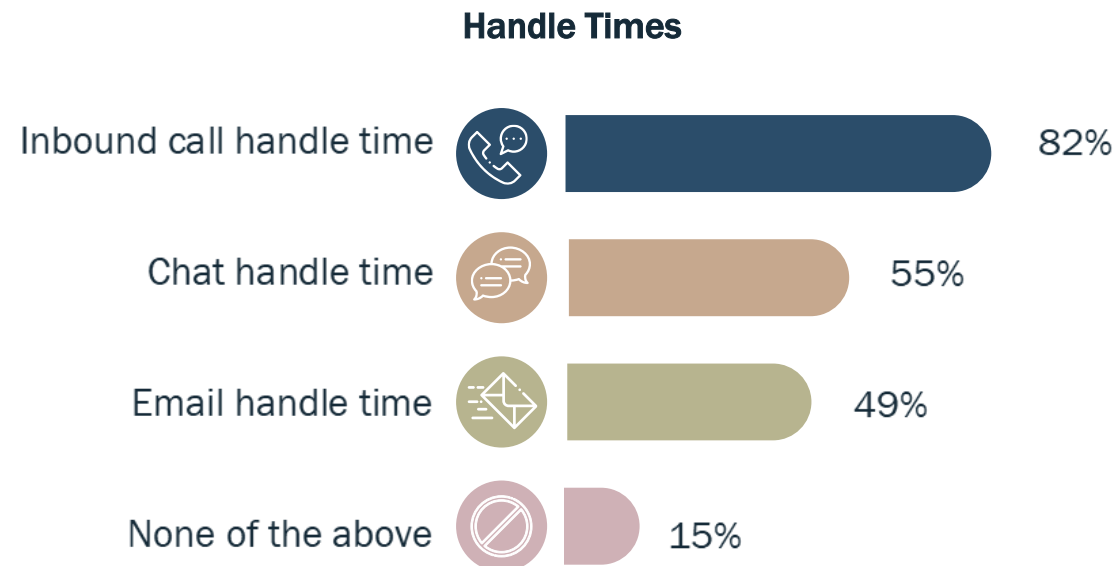
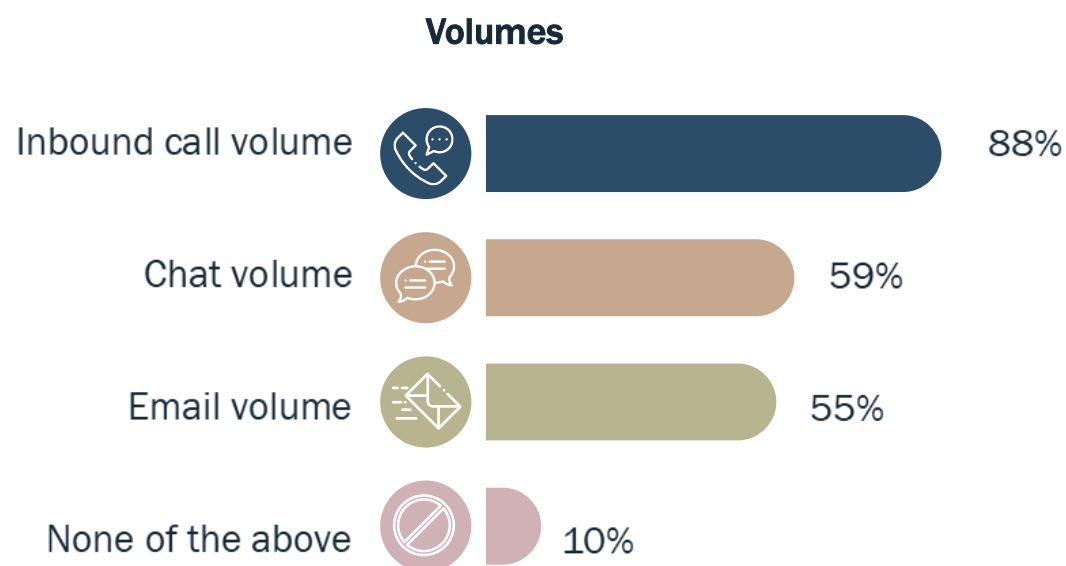
03

Measuring Contact Efficiency and Costs

- **Efficiency-Related Metrics**
 - Forecasting Volume and Handle Time
 - Forecasting Shrinkage
 - Forecasting for Long-term and Short-term
- **Cost Measurement – Measuring Cost of Delivery**
- **Overall Metrics Reported for Measuring Contact Center Efficiency and Costs**

Efficiency-Related Metrics – Forecasting Volume and Handle Time

Which of the following do you forecast for? (Select all that apply)

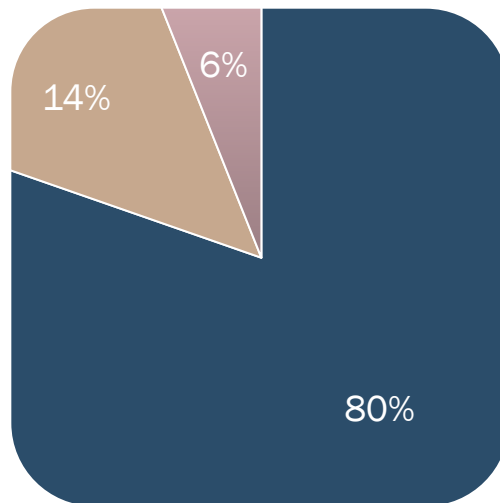


COPC CX Standard for Contact Centers, 7.0 requires customer care organizations to develop forecasts for all human-assisted channel transactions using historical volume, handle time and shrinkage data.

- 10% of respondents said their organizations do not forecast volumes for inbound calls, chat or emails.
- 15% of respondents said their organizations do not forecast handle times for inbound calls, chat or emails.

Efficiency-Related Metrics – Forecasting Shrinkage

What forms the base data for your shrinkage forecast?



- We use historical data
- We use budgeted shrinkage
- We do not forecast shrinkage



COPC CX Standard for Contact Centers, 7.0 requires customer care organizations to develop forecasts for all human-assisted channel transactions using historical volume, handle time and shrinkage data.

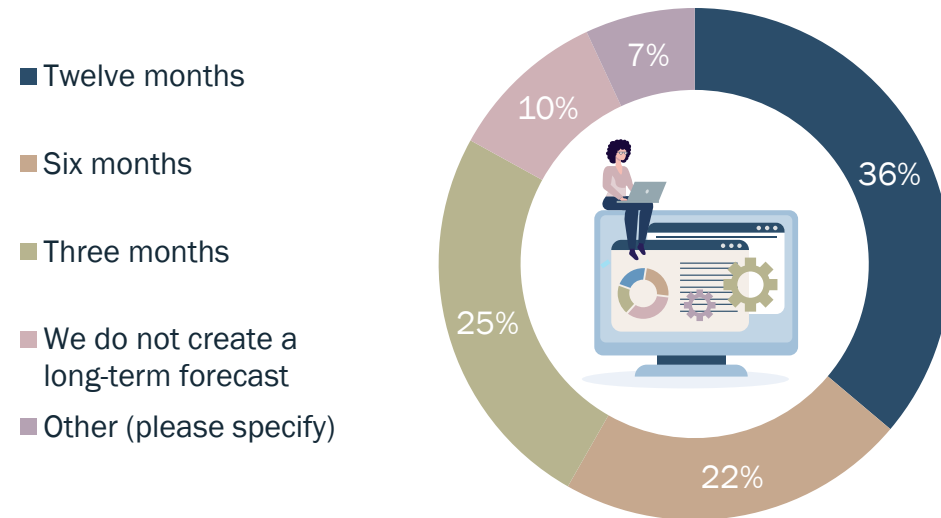
80% of respondents said their organization used historical data to forecast shrinkage.

Of these, a higher percentage of executives from **BPOs (86%)** use historical data to forecast shrinkage than in-house **centers (72%)**.

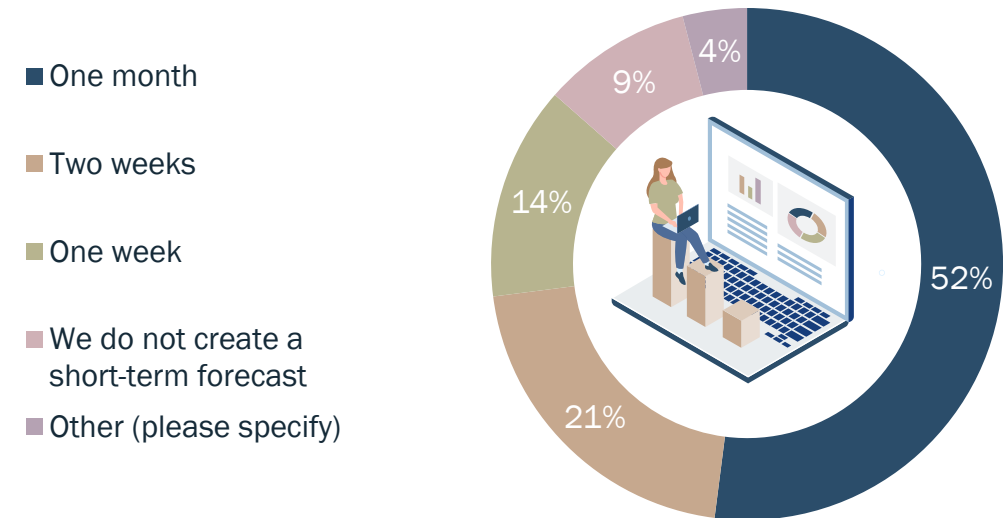


Efficiency-Related Metrics – Forecasting for Long-term and Short-term

How far in advance do you create your *long-term* forecast?



How far in advance do you create a *short-term* forecast?



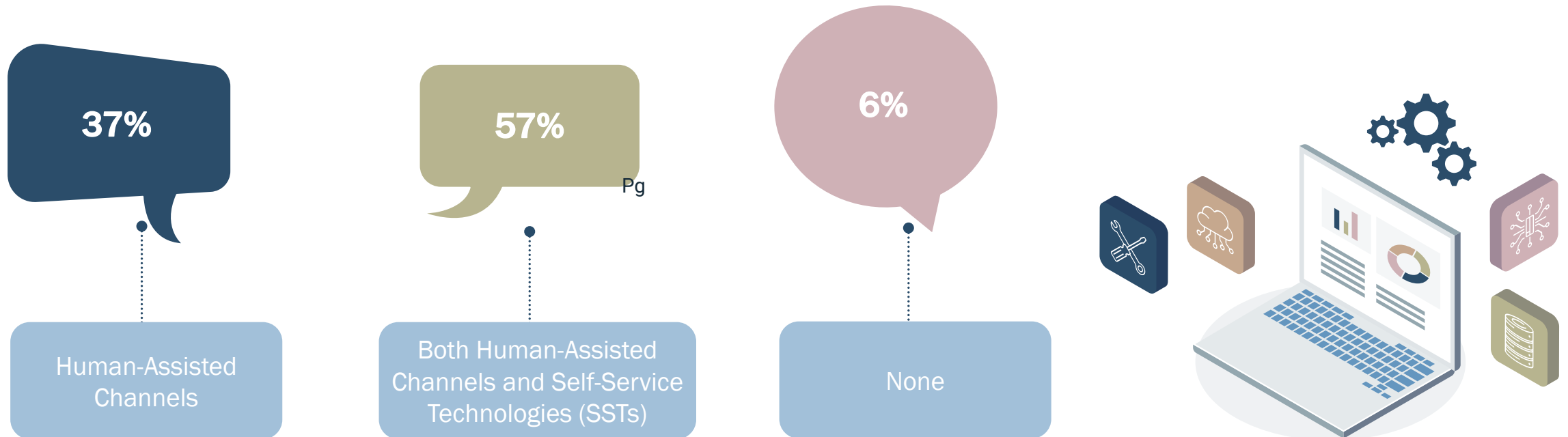
COPC CX Standard for Contact Centers, 7.0 requires customer care organizations to develop capacity plans to determine the number of staff required to handle the predicted number of transactions. Accordingly, organizations must create the plan with enough time in advance to recruit and train new staff.

- **36%** of the respondents said they create a long-term forecast 12 months in advance, while **52%** said they create a short-term forecast one month in advance.



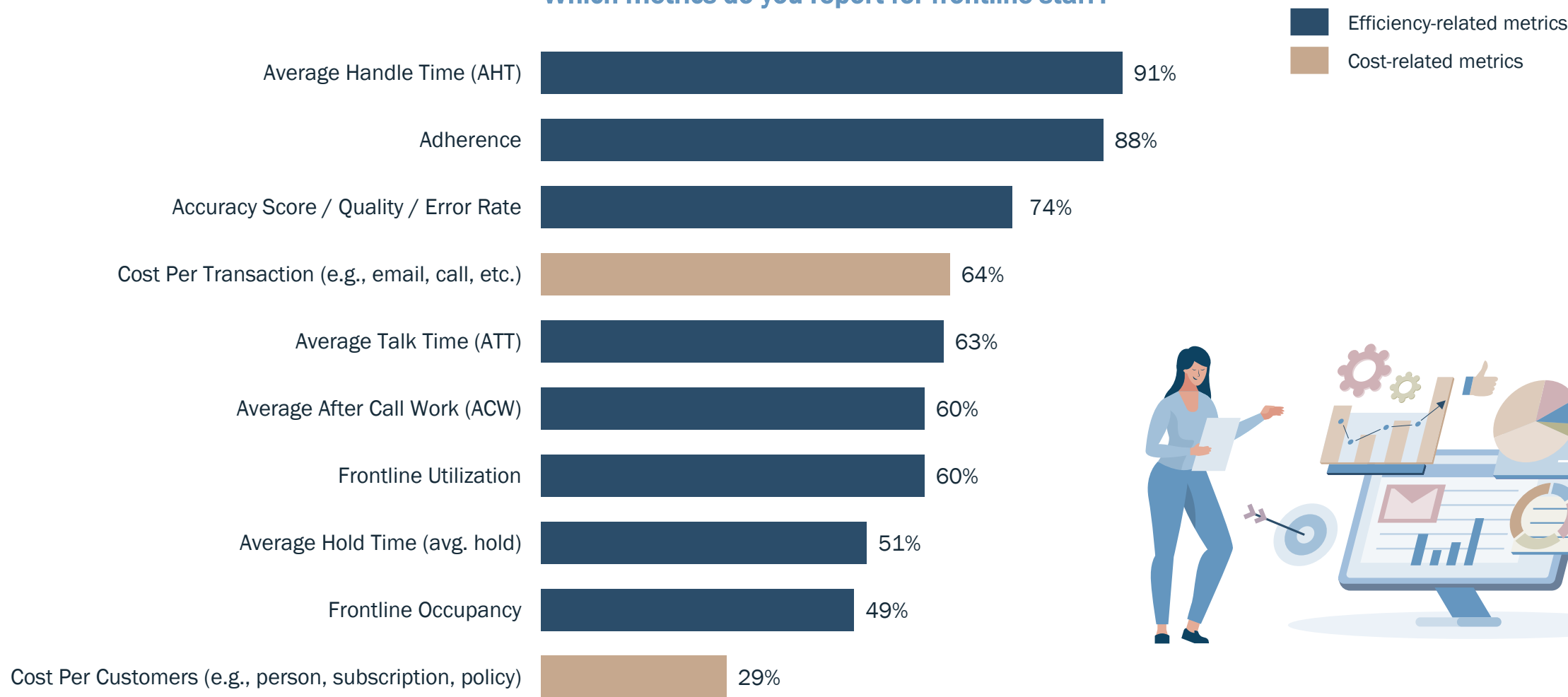
Cost Measurement – Measuring Cost of Delivery

For which of the following channels does your organization measure the overall cost of service delivery?



Overall Metrics Reported for Measuring Contact Center Efficiency and Costs

Which metrics do you report for frontline staff?



04 Conclusion

Conclusion

Globally, managing cost and efficiency is clearly seen as a priority by many CX leaders in the contact center industry. Contact centers are feeling the squeeze as geopolitical uncertainties impact inflation, cost of living and wages. All the while many organizations are dealing with broad difficulties in attracting and retaining staff.

Many CX leaders have implemented a range of cost and efficiency metrics to help identify improvement opportunities in their operations. We also found that many CX leaders are turning to artificial intelligence (AI) to support their operations. A large proportion of these existing or future AI implementations are focused on either volume reduction or cost management.

01

The majority of operations have implemented multiple cost and efficiency metrics into their scorecards.

The most commonly used metric is average handle time (AHT), but in addition to AHT more than 50% of organizations are also looking at other metrics such as agent adherence, average talk time and agent utilization.

02

CX leaders are looking for ways to use artificial intelligence (AI) to support cost reductions.

78% of the respondents who said they were looking to implement, or who have implemented AI in their contact centers, are looking to gain cost reductions from the implementation. More than 50% of the respondents clearly identified that they want to reduce the need for human-to-human interactions as a goal of their AI implementation.

03

The high-performance organizations which build specific annual plans for their customer contact organizations look at a range of supporting data to help them plan for the upcoming year.

More than 80% of these organizations use cost-related data as part of their annual business planning process, reinforcing the importance of having good data to help set the organizational direction.



05

Respondent Profile

- Respondent Profile – Corporate
- Corporate Segment – Methodology



Respondent Profile – Corporate

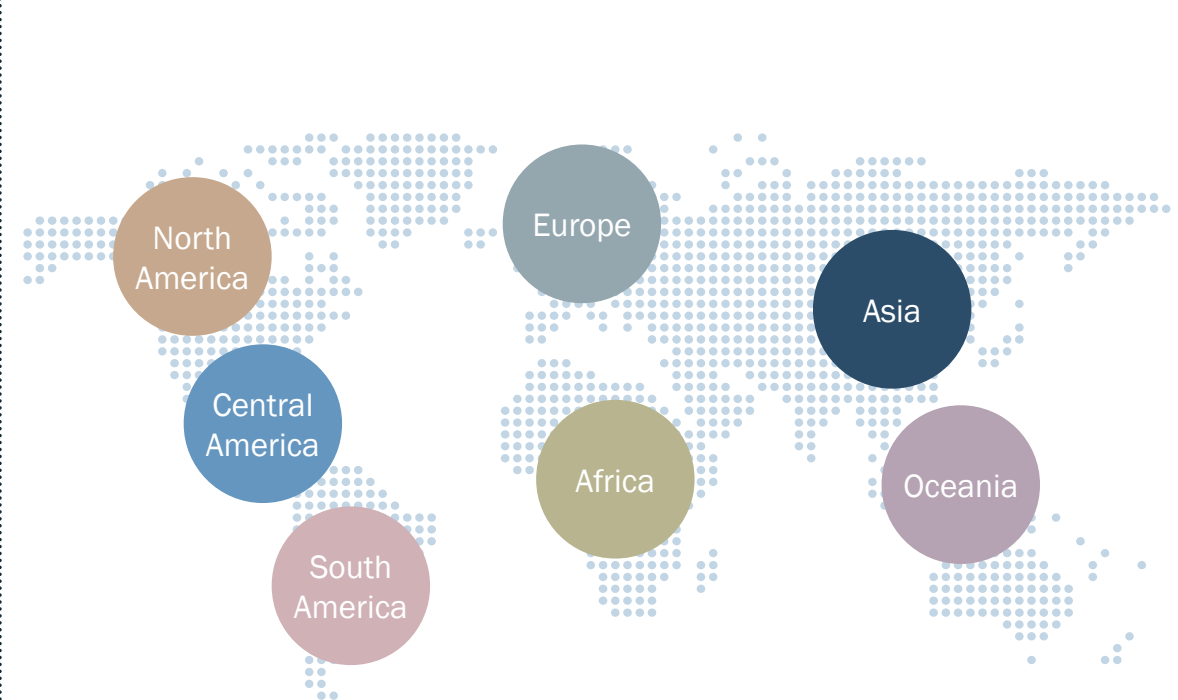
Survey respondents included representatives from both in-house contact centers and OSPs.

Industries represented include:

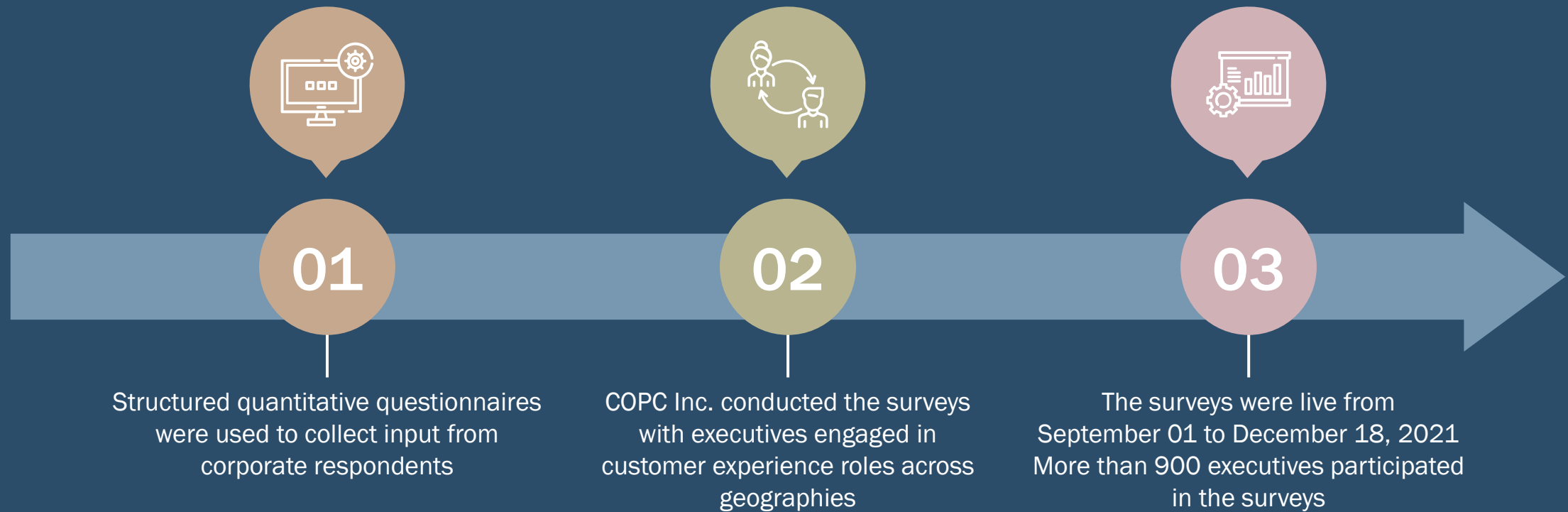


 Others

Contact Centers' locations for respondent organizations include:



Corporate Segment – Methodology



Who We Are



Who We Are

COPC Inc. provides consulting, training, certification, benchmarking and research for operations that support the customer experience. The company created the COPC Standards, a collection of performance management systems for customer experience operations, customer experience management, vendor management and procurement. Founded in 1996, COPC Inc. began by helping call centers improve their performance. Today, the company is an innovative global leader that empowers organizations to optimize operations for the delivery of a superior service journey. COPC Inc. is headquartered in Winter Park, FL, U.S. and with operations in Europe, Middle East, Africa, Asia Pacific, Latin America, India and Japan. www.copc.com

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