

Video Transcript

First Contact Resolution: Managing Metrics by BenchmarkPortal

Hello and welcome to managing metrics, a series of videos highlighting contact center metrics that matter to managers. I'm Bruce Belfiore and this video focuses on first contact resolution. We will define FCR, talk about why it's important, indicate the ways it can be measured, mention some typical ranges and explain impacts FCR can have on your operations. This video is brought to you by Benchmark Portal, the source for contact center training, certification, benchmarking, and consulting. If you like this presentation please subscribe and hit the like button so that you can keep receiving free content like this video.

So, let's define first contact resolution. FCR is a customer facing quality metric that tells you the percentage of times a customer issue is resolved on the first try. This means the first call of it's a voice channel contact, the first email if it arrives through that channel, or the first chat session and so on. Communications that are escalated or transferred to another contact center person for resolution are still considered an FCR as long as the customer in the end hangs up the phone or disconnects from the chat with the situation resolved by the end of that first contact.

Resolving issues on the first contact is a positive thing for several reasons...

- customers are happy because their issue is definitively resolved this avoids frustration and increases customer satisfaction and loyalty leading to repeat business and profits.
- agents are happy because they feel they have served the customer well.
- the company saves money because fewer callbacks or recontacts mean fewer agents are needed and because less time is spent repeating things between customers and agents

I call FCR the magic metric because it has such a high correlation with both customer satisfaction and costs. It is a KPI that measures both quality and operational efficiency. Let's make the efficiency component clearer by looking at some numbers. We will use the voice channel for this example, though it's the same principle for the other channels. Let's say your agents handle a million calls per year and your FCR is 80 percent with most of the rest handled on the second call. You determined that by conducting some agent training and adding a knowledge management tool you could increase FCR to 85 percent. That 5 percent performance improvement translates into about 50,000 fewer calls per year. If your average cost per call is 5 dollars then reducing volume by 50,000 calls at 5 dollars per call equals savings of 250,000 dollars annually, a substantial amount of money. If the added training to achieve this would cost 25,000 dollars and the improved knowledge management tool would cost 100,000 dollars, the total cash out would be 125,000 dollars. In that case with savings at

250,000 dollars and costs at 125 000 dollars, you would have a net savings of 125,000 dollars, a six-month payback period and 200 percent ROI in the first year alone.

Now, there are different ways to measure FCR. While none of them is perfect the best source is the customers themselves. We recommend including two questions in your post interaction customer survey. Question number one is “Was your issue resolved on this interaction?” and the second question is “Was this the first time you contacted us about this specific issue?” Two “yes” answers equal an FCR, however a “no” answer on either question means that the interaction was not an FCR. Naturally, even this is not perfect, as there will be occasions where the customer thinks the issue is resolved but later realizes that the question was not fully resolved and re-contacts the center. However, these situations are relatively rare and survey-based customer feedback from as many customers as possible is still the best practice source for FCR .

Other methodologies used to collect FCR include centers that have their agents document whether the issue is resolved or not within the customer record. There are also centers that have their QA specialists indicate whether the interactions they monitor were resolved or not and then there are centers that track calls from a specific phone number or ANI, if they do not receive a call back from the same ANI after a certain period of time they consider that the original call was resolved on the first contact. Naturally, this methodology is only useful in situations where individuals call infrequently, it would not work for example in a situation where the doctor's office calls the same health insurance call centers multiple times a week about many separate issues. While none of these methodologies is perfect, it's better to track FCR than not to track it at all, and as said initially we recommend that you get the input directly from your customers.

When we look at FCR across all industries we see that the average is about 85 percent. However, there's a significant range according to industry and call type. The credit card industry has a 91 percent average while property and casualty insurance is at 78 percent due to differences in call content and difficulty. If you want more specific information on how you compare to others in your industry sector look for our published industry reports which you can find through the resource links in the description below.

FCR also has an important impact on operations. Workforce planners must take FCR into account when there are operational changes that might affect the percentage of calls resolved as FCR. Even a couple percentage points change in either direction can mean an impact on staffing and your operating budget. It is crucial to benchmark FCR against other centers in your industry that take similar calls to the ones your center handles. When resolution rates are lower

than the industry average you should look for the root causes of the performance gap. Typical areas of opportunity to improve performance include agent training, improving knowledge management and legacy back-end systems, providing access to expert hubs, and improving escalation practices in general, for difficult calls, activating seamless CRM technology which shows the client's record past and present.

If you feel training is an issue please talk to us about certified training of agents, supervisors and coaches. This can be of great benefit to your operation. Now, a question for you on first contact resolution, which approach does your center use to measure this metric? Please write your answer and any other comments below. We'd love for you to share your thoughts and ideas with the community of contact center experts who regularly visit us here. You can also find links to some of our other valuable resources in the description below, and don't forget to like and subscribe to our channel to get great content delivered to you.

Good luck maximizing your first contact resolution. I'm Bruce Belfiore, thank you for listening to this episode of managing metrics.