

Jacada White Paper:

Why Average Handle Time No Longer Matters

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By David W. Holmes
SVP of Global Marketing, Jacada



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When you have your car washed, does it matter to you whether it takes five minutes or six? When you are having work done on your house, does it matter to you whether it is done in three days or four? When you call a service department, do you care if the call lasts two minutes or three?

The fact is, as a consumer, you don't care. What you care about is that your car was cleaned, your house was repaired or improved, and your call was resolved. Correctly. The first time.

For contact centers, this has been a hard lesson to learn. Viewed as cost centers for so many years, reducing call time meant reducing costs. And many began to believe that reducing call times meant customers would be happier because their calls would be shorter.

Well... they're not. In fact, while companies have been focusing on reducing average handle times (AHT), industry customer satisfaction ratings have dipped to an all time low.

So, what does matter to the consumer? First contact/call resolution (FCR). Loyalty scores. Customer satisfaction.

Talk to any executive in the business-to-consumer world and you'll find that customer satisfaction and/or customer retention are one of their top three strategic initiatives. Why? Because the cost of acquiring a new customer is about 10 times higher than it is to keep an existing customer. And an unhappy customer will tell 10 of their friends (or millions on YouTube!) about their lousy customer experience, while a happy customer *might* tell one.

But clearly there must be a balance between efficiency and effectiveness. This is why many customer service departments are beginning to look at new metrics to drive the desired results. FCR is arguably both a metric of efficiency and effectiveness. If the call is handled right the first time, the customer will be happier (effectiveness). And if the customer does not have to call back again to complain or get their issue resolved, the company can reduce the cost of servicing that customer (efficiency). However, measuring FCR accurately can be problematic and while of course most companies want to improve FCR, they cannot permit their CSRs (customer service representatives, or agents) to talk forever!

It's About the Interaction

Let's look at this from a fresh perspective. Instead of thinking about the total call time as "average handle time," let's call it *Average Interaction Time*, or AIT.

The problem with AHT is that we are measuring the wrong thing. Many companies define AHT this way:

AHT = Average Talk Time + Average Wrap Up Time (during or after the call).

When a company places too great a focus on AHT, the result is that the CSR tries to spend less time on the phone (we already know that is not the problem) or somehow tries to reduce or eliminate the wrap-up time (which is clearly wasted time, but usually has no impact on customer satisfaction).

Average Interaction Time allows us to look at the dynamics *within* the call or interaction. This is a more meaningful look at a legendary metric. The formula for Average Interaction Time can be defined this way:

$$\text{AIT} = \text{Average Process Time} + \text{Average Nurture Time} + \text{Average Wrap Up Time}$$

Average Process Time is the time it actually takes for the CSR to navigate systems, find data, update information, calculate payments, research a knowledgebase, etc. *Average Nurture Time* is the time the CSR actually spends understanding what the customer really needs, recommending additional services, building a relationship, being empathetic – whatever is needed to improve satisfaction and retention.

Face it: our CSRs are under pressure and working in such complicated environments that they have become the ultimate multi-tasking robots. They have little to no time to reflect on the nature of the call and find ways to *really* help the customer. The problem is not that a call took seven minutes – the problem is that those seven minutes all constituted Process Time – and no time was allocated to nurture the customer relationship. Most companies would be happy to maintain their existing AHT numbers, if they could improve satisfaction, improve retention, up-sell and cross-sell services and have less frustrated CSRs.

This is possible... but there is really only one way to get there.

Simplify the Desktop

The chaotic maze of applications and tools on today's contact center desktops is enough to make a mother cry. An insurance company I recently visited had 26 applications on the desktop. You read that correctly: 26 applications on the desktop. It takes each CSR more than 10 minutes just to log in each morning. This company also had to specialize agents because it is just too hard to teach every call type to every CSR. A retailer I visited recently had 15 applications – it takes 13 weeks to teach "the basics."

It's no wonder that the CSR spends an entire call just trying to get through the process, with little or no time to try to "add value." And with the trend towards adding more applications and tools to the business, and more channels of communications with the customer, the problem is only getting worse.

A whole new breed of solutions is emerging to address this very issue. These solutions are not business applications per se (you have enough applications already!). Instead, these are unification and automation solutions that make sense out of your disparate array of information systems. The best solutions in this category provide *intelligent views* of customer data and interaction processes that map to the call type.

For instance, if a CSR needs to set up a new customer, he/she will only see the screens and tasks relevant for that call type. If a CSR is handling a billing complaint, he/she will only see the screens and tasks relevant for that call type. If a customer calls to cancel service... well, you get the point.

Imagine that. A desktop designed for *your* contact center and the way *your* CSRs do business. Imagine the possibilities.

By reducing Average Process Time and, in many cases, automating or eliminating Wrap Up Time, the CSR has more time to Nurture, yielding happier customers and greater opportunity for the contact center to add value in terms of revenue and customer retention. And, by the way, training costs are greatly reduced. The CSRs are happier, so they stay longer and deliver better customer service.

Give AIT a look and look at your CSRs' desktops. Observe the complexity they're forced to deal with on every call. By reducing desktop complexity you can give your CSRs the time they need to deliver real value to your business.
