

DESTINATION **excellence** INC.

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## Optimizing Customer Care Operations

### The Role of Performance Measures and Management

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## EXECUTIVE SUMMARY

*"I am a great believer in luck,  
and I find the harder I work the  
more I have of it."*

*- Stephen Butler Leacock*

Leaders have a choice. They can drive people to achieve objectives. This choice creates significant work for the leader and stress for the organization. Alternatively, leaders can create a desire in people to want to achieve, or exceed, established goals. This choice brings significant advantages with it.

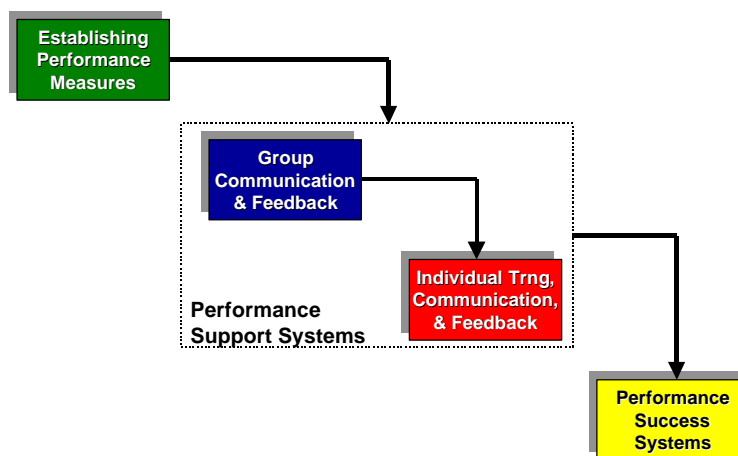
The customer care environment has changed significantly in the past decade. Workers are better informed, more independent and well equipped to be an active part of a team. Leaders who understand this also know that world-class performance is a result of people participating in the establishment and achievement of goals for their work groups. Creating a situation where people provide input and sign on to goals allows people to provide the greatest amount of energy into the achievement of those goals.

Companies whom consistently lead their industries live and thrive by this motto. Their efforts continually drill down to finer levels of understand, increase the certainty of processes and continually measure themselves against their competitors. Being first is not a goal to be achieved, but a continuous journey.

Customer Contact centers, in particular require a unique blend of commitment and discipline in a broad range of responsibilities and functional areas. Staffing, technology, call handling, efficiencies, costs, people, and training must be coordinated and orchestrated like a fine watch. Without the necessary measurement and management structure, a call center will lose its place in time.

World-class call centers maintain a focus on results and processes that clearly identify, connect, and reinforce organizational performance. World-class call centers also view organizational performance goals as continually evolving to meet changing market needs and a fluid competitive environment. Therefore, the performance process is one that is constantly in motion to maintain leadership in call centers.

## Performance Management



Source: Destination Excellence, 1999.



Leveraging Performance Systems is one of many white papers in a series addressing a critical issue for call centers, entitled Optimizing Call Center Operations. The white paper will focus on three key areas:

- *Establishing Performance Measures.* This section outlines how to establish measures accounting for variations in current performance versus world-class standards as well as adapting to ever-changing world-class expectations.
- *Performance Support Systems.* Optimizing performance requires systems that balance both individual and group performance. This section reviews how to establish performance parameters, differentiate levels of performance and provide overall performance feedback for best overall performance.
- *Performance Success Systems.* Celebration of success is a key element in any performance system. Achievement cannot be overlooked, but celebrated. This section provides an overview of various financial and non-financial recognition systems to be used within Customer Contact groups.



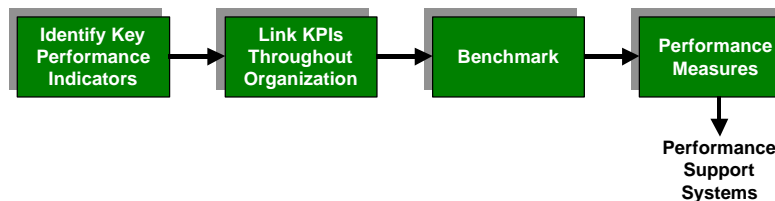
## ESTABLISHING PERFORMANCE MEASURES

*“Acceptance of prevailing standards often means we have no standards of our own.”*  
 - Jean Toomer

All call centers have measures. The key question is, “Are they the right measures?” Determining what the right measures are begins with understanding the key objectives for the business. Key objectives are translated into key performance indicators (KPI) which provide specific objectives for the leaders in the business to achieve. KPIs are the measures that are leading indicators of profits, customer satisfaction, and the strength of the human resources in your company.

KPIs are benchmarked against other companies to establish top-line performance objectives. Objectives are then translated into relevant KPIs at every level in the organization. Finally, performance measures are established with performance banding for each group. Performance measures become the foundation for the performance support systems that will be discussed in the next section.

## Establishing Performance Measures



Source: Destination Excellence, 1999.

### Identify Key Performance Indicators

*“Any business arrangement that is not profitable to the other person will, in the end, be unprofitable to you.”*

KPIs are measures that accurately reflect the overall success of the business. Care must be taken to ensure that the measures used are enough to create an accurate picture of business performance, yet not too many to distract focus on business fundamentals.

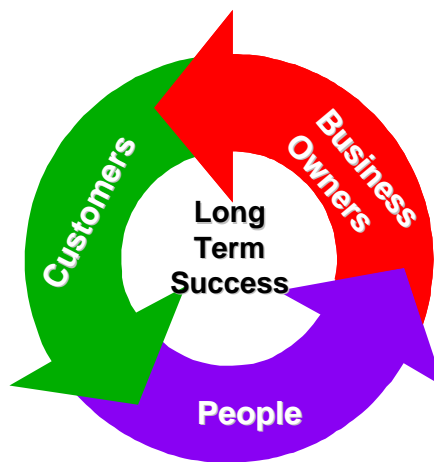
Reviews of the most successful companies show that KPIs must cover three key constituents: People (Employees, Contractors, and Suppliers), Customers, and Business



Owners. World-class companies have shown great skill in making decisions that continuously benefit all constituent groups. Their approach takes traditional win-win scenarios to create "win-win-win" scenarios. To achieve long-term success, businesses must learn to operate in a way that balances the needs of their three constituencies.

KPIs for each group depend on the objectives of each group. In general, business owner measures are financially driven, customer measures are based on overall service satisfaction, and people measures are based on satisfaction of the work environment.

## Establishing KPIs



Source: Destination Excellence, 1998.

### *Link KPIs Throughout the Organization*

***"Nothing is particularly difficult if you break it down into small jobs."***

It is not enough to establish business KPIs. KPIs must be established for each person in the organization, and individual KPIs must be clearly connected with the business KPIs. In other words, each individual must be able to see and understand how their KPIs impact overall business performance.

Linking KPIs is a simple but important process. The process of determining KPIs at each level begins with breaking the business KPIs into its components and sub-components. This is basically a mathematical exercise. After identifying the business KPI components and sub-components, each one is reviewed for its applicability to use as a KPI for various positions in the company. As KPI components and sub-components are assigned to various positions, a linking is created between individuals and the company.

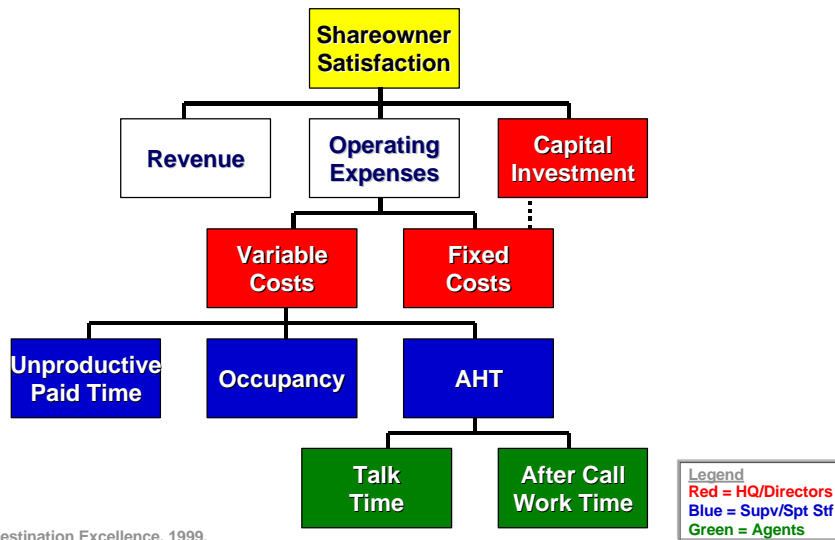
The basic philosophy behind linking KPIs is a team philosophy where the success of each level of the organization is predicated on the success of the levels above and below them. In other words, it is



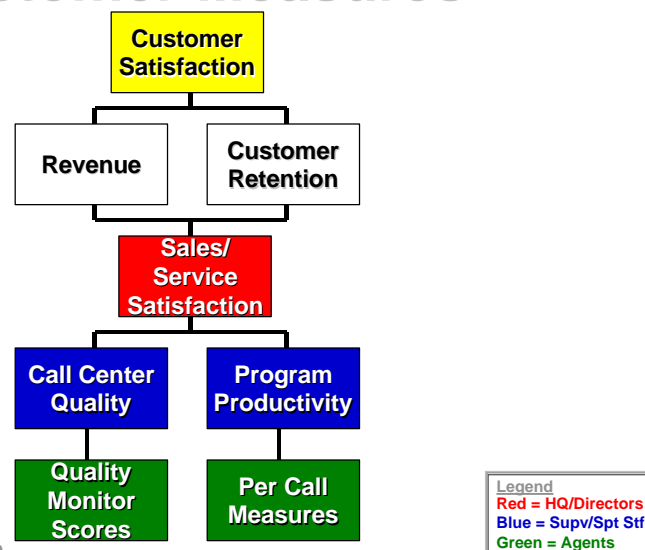
impossible for the company to succeed without a majority of the people in the company succeeding. The power behind this philosophy is that it ties people to the success of others. Supervisors are dependent on their agents and technicians to succeed, managers are dependent on supervisors to succeed, and so on. People understand that people are helping them to succeed because it is in their best interest to do so. No hidden agendas, no working against each other. Achieving company goals becomes everyone's mission.

The following charts provide an example of how KPI linking can be used in a call center. The actual exercise of linking KPIs is more detailed in practice, but these provide a guide to how KPIs can be effectively linked. Note that KPIs have been build for each of the constituencies mentioned previously.

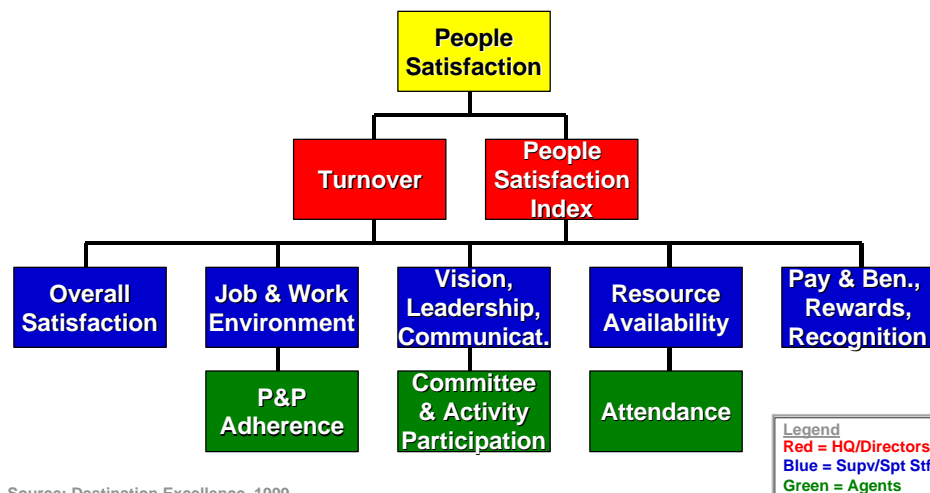
## Business Owner Measures



## Customer Measures



# People Measures



## Benchmarking

When the term benchmarking is used, it is reasonably assumed that it is the KPIs that are used in the benchmarking process. Benchmarking is not used to establish performance objectives, but as an input into the objectives. Benchmarking is simply used to determine the performance of comparative organizations. The decision on the performance objectives to use will be determined based on a company's current performance is relative to benchmarks.

*If you would hit the mark, you must aim a little above it; every arrow that flies feels the attraction of earth.*  
 - Henry Wadsworth Longfellow

Benchmark performance falls into one of three categories: **below industry benchmarks**, **at industry benchmarks**, or **above industry benchmarks** (world-class). Clearly, companies may fall into any category for each of their performance objectives. The approach a company will take in establishing performance measures will depend on where they are relative to benchmarks. These approaches are:

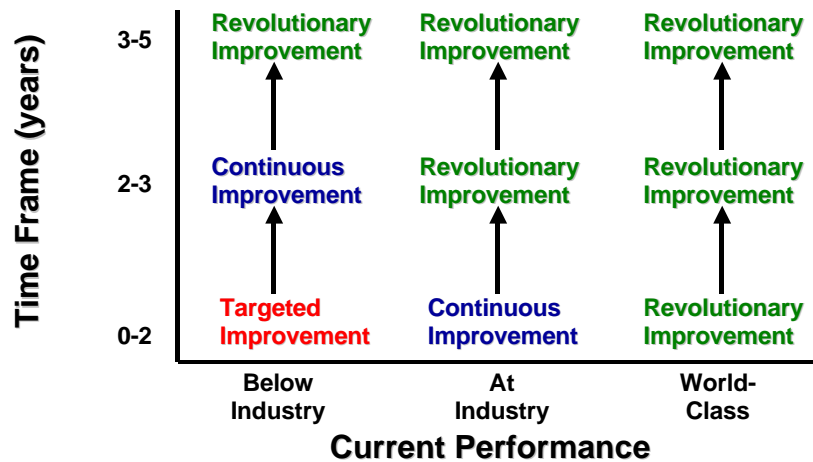
- **Below Industry Benchmarks.** Companies falling below industry benchmarks must develop a plan to increase performance to meet industry benchmarks in the short term (up to two years). Recognizing that performance below industry benchmarks places a company at competitive risk, companies must place significant resources toward resolving these performance issues. Once a company meets industry benchmarks, it can then focus on improving processes in the short term.
- **At Industry Benchmarks.** Companies who are already at the industry benchmark are not at a competitive disadvantage, but neither are they experiencing a competitive advantage. Companies must maintain continuous improvement processes to avoid falling behind industry benchmarks.
- **Above Industry Benchmarks (World-class).** Competitive advantage is found in performing well above the industry as a whole. Companies who operate in this area plan on reinventing processes continuously to revolutionize the industry. This is why world-class companies don't mind sharing their secrets. While others attempt to copy them, they are working on the next revolution.





Successful companies must plan on migrating to the world-class industry standards over time. Their performance objectives must reflect this evolution throughout their organization.

## Benchmarking



Source: Destination Excellence, 1999.

### Performance Measures

With KPIs and benchmarks identified, the business objectives have been established. The linking of KPIs automatically establishes the business objectives at every level in the company. Components and sub-components of KPIs are the assumptions that were used to develop the business objectives.

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*"Your interest in the success of others will bring you your own."*

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Performance measures include more than the business objective, but recognize that attainment of the business objective will include varying levels of contribution to that objective. Some people will exceed performance in their areas, and thereby contribute more to the overall business objective. Others will contribute less. It is critical to define the varying levels of contribution, and what that means to each individual.

The defining line for business contribution must be the business objectives. Assuming that the business objectives are established in a realistic, yet aggressive manner, the defining line between good performance and very good performance will be relative to achievement of the business objectives. People exceeding business objectives are considered very good contributors. People performing slightly below business objectives are good contributors. Other performance levels will be defined and treated relative to their business contributions.

For purposes of discussion, five performance levels will be defined. Their definitions, and associated actions follow.

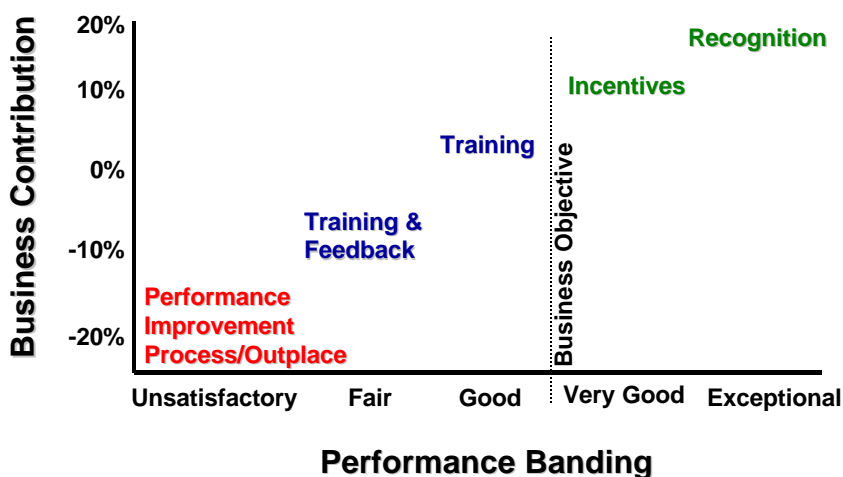
- *Unsatisfactory.* Companies will always have people who have a strongly negative contribution to the business. It must be recognized that a fit between the people and the company may be lacking.



Individuals falling into this category must be placed on an accelerated training improvement process with the objective of the process being final determination of the job fit for the individual. If the fit does not exist, they should be outplaced in a way that maintains their integrity and honor. If a fit does exist, the person's performance will improve to satisfactory levels.

- *Fair.* Contributions to the business are not up to what is expected, but not poor enough to warrant drastic action. People falling into this category must be trained and reinforced in the areas of business objectives, and ways to attain them. Very few people, with these efforts, will remain in this category. Constant changes in the business will cause people to fall into the category above or below this level.
- *Good.* Good contributors are those who help the company meet their business objectives, given the contribution of the very good and exceptional categories. Additional training can help increase performance to the next level.
- *Very Good.* People exceeding business objectives must be rewarded. The company willing to reward and commend this level of performance of a person will develop an atmosphere of trust and commitment.
- *Exceptional.* Every company has a group of people whose contribution far exceeds others. These people are greatly motivated by recognition, rewards, incentives and promotion.

## Performance Measures



Source: Destination Excellence, 1999.



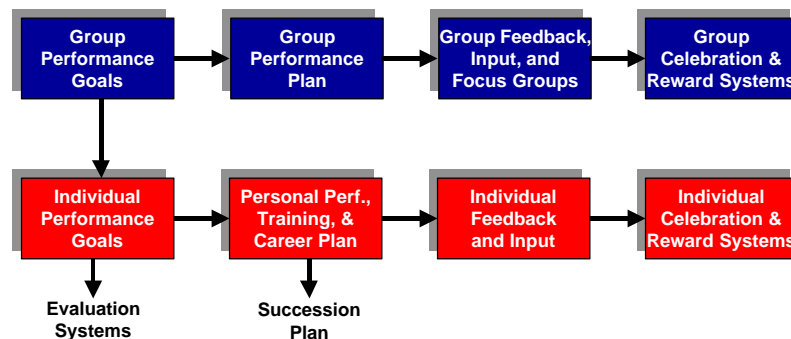
## PERFORMANCE SUPPORT SYSTEMS

*Good is the enemy of great.*

Performance measures being established, an organization requires a process to reinforce and support team and individual performance. Team and individual performance systems work together to produce the greatest overall performance for the company.

While similar in approach, there are some important differences between individual performance support systems and team performance support systems. While the two are connected, they will be reviewed separately. Below is a schematic of the performance support system process. This is followed by a brief description of each module.

## Performance Support Systems



Source: Destination Excellence, 1999.

### Group Performance Goals

Each group, be it supervisory groups or agent groups, should understand what their goal is as a group. The goal of the group should always be the same as the leader of that group to ensure linkage and common focus.

Communicating with a group their common goal provides a benchmark for group success. Without it, they are not a team, but individuals brought together through happenstance. Common goals help establish a common vision where people within the group will help one another succeed.

Likewise, common goals establish a link between the leader of the group and the individuals in the group. The leader understands that their success depends on group performance. They are able to project their desire to see individuals in the team succeed in a way that can be understood and trusted.



### ***Group Performance Plan***

Goals are not achieved without a plan. A group performance plan should include:

- Role assignments. As part of a team, everyone will have a different function. While individual responsibilities remain, some team responsibilities are added to help the overall group succeed.
- Group training. Group training enables the group to help each other succeed.
- Daily group communication. Performance is increased when monitored daily.
- Group performance reviews. Regular time frames are established to review group performance and develop action plans against targeted areas.

These are all necessary parts of the goal process.

### ***Role Assignments***

Self-managed teams recognize that individuals have more to contribute than their job performance. Most people are leaders outside of work, and have developed skills that are beneficial in the workplace, although their position may not specifically call for these skills, they are available for the team.

Team role assignments may include projects for supervisors, or responsibilities for the employee newsletter, technology updates, or competitive reviews. On teams of agents, responsibilities may be assigned based on the goals of the group, and individual skill sets. Individuals act in the capacity of subject matter experts to encourage, inform, and educate others on information they have accumulated. These roles then benefit the team.

### ***Group Training***

Group training differs from individual training in that individual training provides specific individuals with specific job skills. The objective of the training is to instill in an individual the necessary resources to succeed *within* themselves. Group training provides people within a group to help others in the group succeed. Group training includes:

- Teamwork.
- Effective Communication Styles.
- Creating a Team Vision.
- Team Roles and Responsibilities.
- Conflict Resolution.

### ***Group Feedback and Input***

Establishing goals requires the team to revisit their progression toward those goals on a regular basis. With a plan, roles, and training in place, the group is well equipped to meet their goals. Regular review of the progress toward those goals allows the group to utilize the resources available in the group.

Groups normally meet monthly to assess their progress. The meeting agenda includes a review of the goals, actual results achieved, a projection for the end of the period goal attainment, and input from the group on adjustments that need to be made to increase performance. The latter step is critical as it not only provides fresh ideas and views, but also increases the commitment of the team to the goals.



### Individual Performance Goals

Individual performance is measured against individual contribution to company goals. Individual goals are set equal to the assumptions used to comprise the company goal. Using this approach builds trust in the process, for as company goals change, so do individual goals. Likewise goal congruence builds trust in leadership since leaders have the same performance expectations as others.

Normally, each individual will have several measures, at minimum one per constituent group. The organization needs to establish individual measurement performance expectations, as well as for overall performance. Following is an example of how an individual performance evaluation can be built:

|          | Measure               | Weight | Exceptional<br>(5 points) | Very Good<br>(4 points) | Good<br>(3 points) | Fair<br>(2 points) | Unsatisfactory<br>(0 points) |
|----------|-----------------------|--------|---------------------------|-------------------------|--------------------|--------------------|------------------------------|
| <b>B</b> | Talk Time             | 25%    |                           |                         |                    |                    |                              |
|          | After Call Work       | 5%     |                           |                         |                    |                    |                              |
| <b>C</b> | Quality Monitors      | 20%    |                           |                         |                    |                    |                              |
|          | Per Call Measures     | 20%    |                           |                         |                    |                    |                              |
| <b>P</b> | P&P Adherence         | 15%    |                           |                         |                    |                    |                              |
|          | Attendance            | 15%    |                           |                         |                    |                    |                              |
|          | Participation (Bonus) | 5%     |                           |                         |                    |                    |                              |
|          | Total                 | 100%   | 5.00 - 4.51               | 4.50 - 4.01             | 4.00 - 3.51        | 3.50 - 3.01        | ≤ 3.00                       |
|          | Pay Increase          |        | 6%                        | 5%                      | 3%                 | 2%                 | 0%                           |
|          | Bonus                 |        | 20%                       | 10%                     | 5%                 | 0%                 | 0%                           |

The general guidelines for the individual performance evaluation follow. These may be changed to meet the specific needs of the group.

1. Each individual measure must be able to be associated with a company measure.
2. The delineation between good and very good performance is the attainment that supports the company goal. Assuming that company goals are set aggressively, this delineation works well. If company goals are set less aggressively, then the performance attainment that supports the company goal would be set in the middle of good.
3. The weights of the measures should be balanced between the needs of the Business Owners (B), Customers (C), and People (P). This approach reinforces a balanced business approach.
4. Each performance category should be well-defined. Specific goals that define the high and low end of Exceptional, Very Good, Good, Fair, and Unsatisfactory performance are necessary. This helps people manage their own performance.
5. Participation in committees and groups is considered a bonus. It is a positive incentive for people to become involved, which benefits the company. Individuals share in that benefit through their performance evaluation.
6. Unsatisfactory performance is given a score of zero points. This is consistent with the performance category and motivates people to maintain performance above that level.
7. Overall performance is calculated by adding up the category weights times performance. The overall score determines the overall rating for the individual. Prior to implementing this system, a company should check and verify that it fairly represents the current contribution of individuals to company goals. To do so, determine the percentage of people who fall into the various categories and see that it is representative of both individual and company contribution. Overall performance and category performance banding may need to be adjusted to ensure consistency.



8. Overall performance should drive salary increases and bonuses. Salary increases may also be adjusted for individual pay against the pay scale.
9. All performance information and expectations should be provided prior to the start of the performance period. Understanding the performance system will drive behavior. Test the system with the effected groups to identify shortfalls and strengths of the process. Make changes as necessary and communicate changes to gain buy-in.
10. Continually communicate. Reinforcing the process makes it part of everyone. Don't be afraid to make changes as business conditions change. Always gain input and communicate changes.

One of the benefits of the above approach is that it supports individual self-management. Individuals who have a structured system as the above can make decisions that maximize their total performance score. They feel in control of their overall performance. Also, team leaders can position themselves as a resource for people to increase performance. The performance improvement process is a positive experience since both the individual and the leader benefit from improved performance.

### ***Individual Performance, Training, and Career Plan***

At the beginning of each performance period, team leaders and individuals need to understand the objectives of the upcoming period. It is not enough to "do well." Specific performance goals and objectives must be established in the framework of the future career of the individual.

#### ***Performance***

More likely than not, the performance plan is done directly after the prior performance period's performance evaluation. The starting point is the past period's evaluation. The new period's performance objectives are set. The next step is to determine what additional support is necessary to accomplish the new objectives.

#### ***Training***

The first step in improving performance is to identify areas where additional support is needed. Some improvement areas may not need specific training, and can be accomplished through coaching and monitoring. Other areas will require additional support.

A great starting point is a course catalog that provides courses that support specific performance objectives. While one course may accomplish more than one objective, it is beneficial to align performance measures to training to provide focus for performance improvement. The following charts provide illustrative examples of what basic training courses may look like for various positions in the company:



| Constituency    | Business Measure    | Director Measure     | Skills Training   |
|-----------------|---------------------|----------------------|---|
| Customers       | Revenue             | Sales Satisfaction   | <ul style="list-style-type: none"> <li>• Team Motivation</li> <li>• Incentive Systems</li> </ul>  |
|                 | Customer Retention  | Service Satisfaction | <ul style="list-style-type: none"> <li>• Customer Expectations</li> </ul>   |
| Business Owners | Operating Expense   | Variable Cost        | <ul style="list-style-type: none"> <li>• Forecasting and Staffing</li> <li>• Operational Adherence</li> </ul>                             |
|                 |                     | Fixed Cost           | <ul style="list-style-type: none"> <li>• Budget Management</li> </ul>   |
|                 | Capital Investment  | Capital Investment   | <ul style="list-style-type: none"> <li>• Technology Applications</li> <li>• Vendor Analysis Techniques</li> </ul>                         |
| People          | People Satisfaction | People Satisfaction  | <ul style="list-style-type: none"> <li>• Meeting Facilitation</li> <li>• Oral Communications</li> <li>• Written Communications</li> </ul> |
|                 | Turnover            | Turnover             | <ul style="list-style-type: none"> <li>• Motivational Tools</li> <li>• Career Planning</li> </ul>   |

| Constituency    | Business Measure    | Supervisor Measure   | Skills Training   |
|-----------------|---------------------|----------------------|---|
| Customers       | Revenue             | Program Productivity | <ul style="list-style-type: none"> <li>• Call Monitoring Techniques</li> </ul>  |
|                 | Retention           | Program Quality      |   |
| Business Owners | Operating Expense   | Occupancy            | <ul style="list-style-type: none"> <li>• Forecasting and Staffing</li> <li>• Operational Adherence</li> </ul>   |
|                 |                     | AHT                  | <ul style="list-style-type: none"> <li>• Call Monitoring Techniques</li> </ul>  |
|                 |                     | Unproductive Time    | <ul style="list-style-type: none"> <li>• Time Management</li> <li>• One Minute Manager</li> </ul>   |
|                 | Capital Investment  |                      |   |
| People          | People Satisfaction | People Satisfaction  | <ul style="list-style-type: none"> <li>• Improving Performance Through Encouragement</li> <li>• Feedback Techniques</li> <li>• Performance Evaluations</li> </ul> |
|                 | Turnover            |                      |   |

| Constituency    | Business Measure    | Agent Measure           | Skills Training   |
|-----------------|---------------------|-------------------------|---|
| Customers       | Revenue             | Per Call Measures       | <ul style="list-style-type: none"> <li>• Identifying Needs v. Wants</li> <li>• Upselling</li> <li>• Closing the Sale</li> </ul> |
|                 | Retention           | Quality Monitor Scores  | <ul style="list-style-type: none"> <li>• Listening</li> <li>• Vocal Presence</li> </ul>   |
| Business Owners | Operating Expense   | Talk Time               | <ul style="list-style-type: none"> <li>• Controlling the Conversation</li> </ul>  |
|                 |                     | After Call Work Time    | <ul style="list-style-type: none"> <li>• Time Management</li> </ul>   |
|                 | Capital Investment  |                         |   |
| People          | People Satisfaction | Attendance              | <ul style="list-style-type: none"> <li>• Health and Fitness</li> </ul>  |
|                 |                     | P&P Adherence           | <ul style="list-style-type: none"> <li>• Workplace Principles</li> </ul>  |
|                 |                     | Committee Participation | <ul style="list-style-type: none"> <li>• Development Opportunities</li> </ul>   |
|                 | Turnover            |                         | <ul style="list-style-type: none"> <li>•</li> </ul>   |



In addition to job skills, career skills must also be added to the curriculum. Career training incorporates the training for promotional positions into an individual's training plan.

### ***Career***

Career planning should take place at least annually. While most people are satisfied in their current position, people with a vision for the future create additional energy and enthusiasm in the business.

Career planning should be done in three increments: short term (one year), mid-term (two to three years), and long term (beyond three years). Each career plan should build off the strengths of what occurs prior to that, and focus on building additional skills along the way. Special assignments, training, and other experiences should be incorporated into this plan.

### ***Individual Feedback and Input***

An essential part of sustaining high performance is receiving feedback. Feedback should be provided constantly and consistently to reinforce self-management of performance. Performance feedback should occur at planned intervals and/or events.

### ***Real Time***

Performance is maximized when feedback is real time. Trends within an hour or a day allow adjustments to be made quickly. Market events may also impact performance. Recognizing those quickly provides a timely response. Real time input is best provided via automated systems.

### ***Daily***

A view of performance for the day prior allows for a snapshot and time for self-evaluation. Real time feedback provides for the ability to react, but not analyze. Daily feedback provides the time to analyze and evaluate changes for the coming day. Daily reports provide an excellent tool for viewing daily performance.

### ***Weekly***

Weekly performance views provide for trend analysis. As changes are made to adjust to performance needs, or market trends, the weekly view can help provide insight. Weekly reports coupled with a short meeting with the team leader helps support performance.

### ***Monthly***

Most businesses run on a monthly timetable for financial purposes. For this reason, most performance goals are reviewed monthly at the corporate level, which then drives performance review throughout the organization. A meeting between the team leader and the individual should take place monthly. Longer than the weekly meeting, the session focuses on activities that will be coming up in the next month, activities that need to be added, and reinforcement of individual value.

### ***Ongoing***

Throughout the year, one or more interim meetings should be held with each individual to gather input, provide additional support, or address other issues that may not have been addressed in the other sessions. The key to organizational success is communication. These sessions open the way for additional communications.





## PERFORMANCE SUCCESS SYSTEMS

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*"We don't live by bread alone. We need buttering up once in a while."  
- Robert H. Henry*

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### ***Group Celebration and Reward Systems***

Positive reinforcement for goals achieved cements the value of group performance. Every goal achieved should be celebrated. Every goal exceeded should be rewarded.

The extent of the celebration and rewards for goals, and their balance against individual performance, will depend on the type of organization, the team contribution versus individual contribution, the culture of the organization, and other factors. As a rule of thumb, if the group cannot achieve its goals without a strong team, the team celebration and rewards should exceed individual rewards and recognition. If individual contribution exceeds team contribution, then individual rewards and recognition contribution should exceed that of the team.

### ***Individual Celebration and Reward Systems***

As stated earlier in this section, the relative proportion of individual and group rewards and recognition will depend on the contribution of the individual versus the group. Individual reward systems include bonuses for overall performance (as seen on the individual performance goals matrix), but should also include other areas as well.

Throughout the organization, some people will contribute more to one goal than the others. While their overall performance may not be exceptional, their contribution in one area may be. For example, someone who produces a high level of sales may not have a low talk time. Because the business has identified specific goals, contribution to these goals should be recognized.

Celebration and reward systems look into the organization to find out where people are doing things that are exceptional. This approach allows individuals to be recognized in more ways, and to increase their loyalty to the company. The company need only ensure that the recognition of individuals is consistent with their overall company mission. (For example, performing at the Exceptional level in one area and Unsatisfactory in every other area would not warrant recognition.)



## CASE STUDIES

*"It is a funny thing about life: if you refuse to accept anything but the best you very often get it."*  
 - W. Somerset Maugham

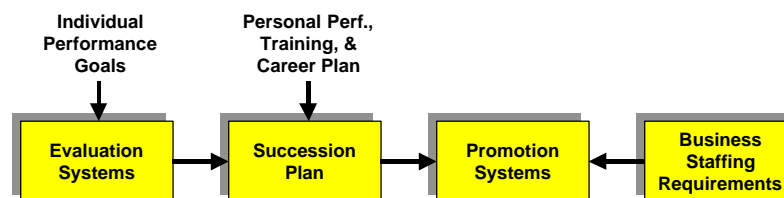
Every business must not only plan for its future leaders, but must also plan for the success of the individuals in the business. Without a clear plan for continued business and individual success, people may be tempted to leave for other opportunities. People like to see and hear about a positive future.

The foundation of building a successful team for the future begins with the evaluation system described in the previous section. Before any individual can be considered for a promotional position, they must first be successful in their current position. While current success is not always an indicator of future success, the lack of current success is a leading indicator of future failure in promotion.

A succession plan is built on a profile of individuals who are currently successful in their positions, and show potential to be successful in promotion positions. Potential is tested through various forms, and against future business needs. Future business needs have become especially important in the current business environment given the pace of technology and information change. With the staffing requirements detailed, and the candidates for succession identified, each one is tested via a promotional system.

The following chart provides an overview of the succession process. It is followed by a brief description of each part of that process.

## Performance Success Systems



Source: Destination Excellence, 1999.



## ***Evaluation Systems***

Individual evaluations are described under Individual Performance Goals in the Performance Success Systems section. Evaluation systems are an important part of the succession plan as they provide the first screening of potential candidates.

It is recommended that individuals who perform in the Exceptional or Very Good on their overall performance evaluation be considered for promotion. People who perform at this level have shown the skills to succeed in the business given the tie between individual and business goals. Inability to perform at these levels makes it highly unlikely that a person will be able to perform at a higher level after being promoted.

## ***Succession Plan***

A succession plan has two components to it. First, it provides a list of potential openings within the business. These openings are provided by the business staffing plan. Positions listed are listed by time frame (usually each succeeding year). Positions should reflect not only currently identified positions, but newly formed positions based on changing business needs.

Forecasted openings for positions should be communicated within the organization. This is recommended for two reasons. First, highlighting potential openings provides a vision of the future for people. Second, it helps individuals develop more complete career planning, providing the business with a stronger list of candidates.

The second component to the succession plan is the list of potential candidates. Candidates are selected based on their performance, level of interest, and fit with the position. Communicating to people that they are part of the succession plan should be avoided as they may interpret an implicit promise. Using the individual career plan as a tool is sufficient to keep potential candidates interested.

## ***Promotion Systems***

When openings occur, businesses benefit by obtaining a broad base of candidates. Internal and external candidates, as well as job advertising support this.

When advertising an opening, it is important to provide people with specific skills, expectations, and a job description. Skills should be detailed into required (minimum) skills and expected skills. Candidates lacking the required skills should not be allowed to progress to the application process.

In evaluating potential candidates, a number of areas must be reviewed. They include:

1. *Performance History*. How the candidate has performed in the past. Minimum performance is Very Good.
2. *Native intelligence*. Measured in a number of ways, candidates should be tested in their ability to grow and evolve with the job. Various tests in math, English, logic, and other areas are available through several companies. Candidates must exhibit the ability to grow with the job. Regardless of how strong their current performance may be, the landscape is riddled with former strong performers who failed to adapt.
3. *Exhibited Skills*. In addition to testing, the company should utilize interviews, written case studies, and verbal situational analyses to determine the qualifications of candidates. This testing should reflect the



work environment very closely and seek to test both the quantitative and qualitative job skills of candidates.

4. *Referrals.* Due to the current legal environment, it is difficult to obtain accurate referrals on candidates. Internal candidates, however, should be reviewed by their future peers with input into the process.

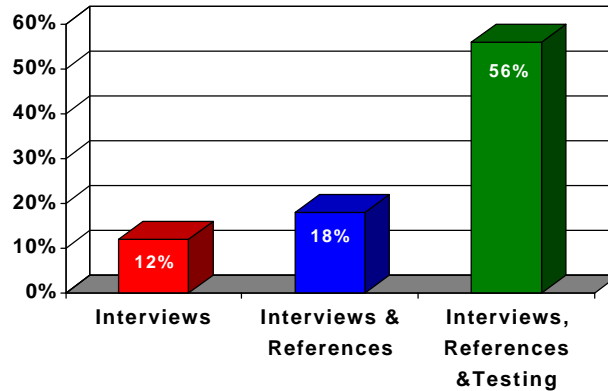
Following is a simplified example of a candidate selection form. Specific case studies, interview questions, and answers would be determined prior to the process beginning. Candidates would be evaluated in comparison to one another with the highest scoring candidate(s) being selected.

| Area                                  | Weight | Measure  | Score |
|---------------------------------------|--------|--|-------|
| Performance History                   | 5%     | 10 points - Exceptional<br>5 points - Very Good  |       |
| Native Intelligence                   | 30%    | Utilize score from standardized test equate into scale of 1 to 10 points.  |       |
| Exhibited Skills - Case Study Written | 20%    | 3 points - Issue organization/understanding.<br>3 points - Addresses issues appropriately.<br>3 points - Workable solutions.<br>2 points - Written communication skills. |       |
| Exhibited Skills - Case Study Verbal  | 20%    | 3 points - Issue organization/understanding.<br>3 points - Addresses issues appropriately.<br>3 points - Workable solutions.<br>2 points - Verbal communication skills.  |       |
| Exhibited Skills - Interview          | 20%    | 3 points - Experience.<br>3 points - Common vision.<br>4 points - Fit with culture.  |       |
| Referrals                             | 5%     | 1 point for each positive referral.  |       |
| Total Score                           | 100%   |  |       |

While this appears to be an extensive process for candidate selection, human resource studies have shown that this process significantly increases the likelihood of success of the candidate. The following chart compares this method with less rigorous methods.



## Hiring and Selection



Source: Destination Excellence, 1999.

### ***Business Staffing Requirements***

Every business should utilize its business projections to determine its future business needs. This includes job opportunities.

Ratios, product offerings, and changing market needs all provide input into future opportunities. Combined with turnover, and succession plans for groups above, a detailed understanding of positions available can be determined. Part of the process includes developing job descriptions for current and future positions. Job descriptions help detail the measures of success for each position, and the skills necessary for success.



## SUMMARY AND CONCLUSION

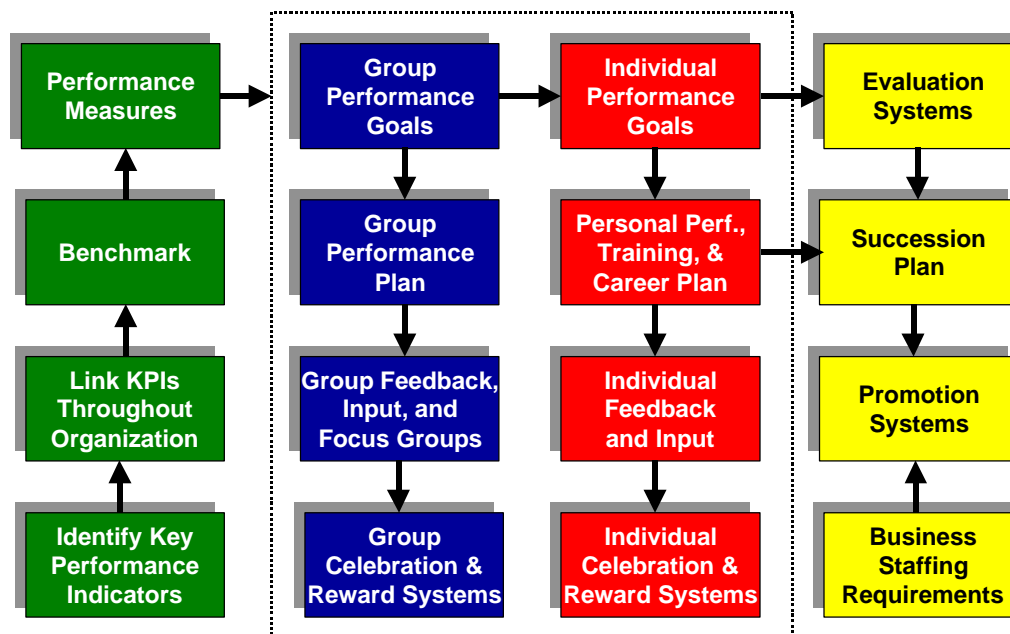
*“Quality is not an act.  
It is a habit.”*

*- Aristotle*

The approach and processes outlines are provided so that success can be replicated. These processes have proven valuable and effective for businesses who have used them. Turnover has decreased, people satisfaction increased, and costs have decreased. "People are the problem, but people are also the solution," is a quote that accurately reflects the business environment. Many businesses can't meet their business goals because they don't have the right people in place. But their only solution is to place the right people in the right place. The processes described in this document support this important element of the business process.

Much more that these processes go into the development of a strong business environment. The company culture, the consistency between various processes in the company, and leadership also influence organizational success. Tools and models are also available for these areas, and must be developed with consistency.

# Performance Management



Source: Destination Excellence, 1999.



## DESTINATION EXCELLENCE - YOUR COMPETITIVE ADVANTAGE

*Excellence is more than a word,  
it's a destination.*

*-Destination Excellence Motto*

Many companies today use outside professionals to augment internal resources. Destination Excellence has the advantage of bringing hands on knowledge and experience of customer care operations along with a history of success across industries. Your company will not spend valuable time and funds training us in what needs to be done – our experience has taught us. You will only need to spend a short amount of time with us to describe your operation, your procedures and your objectives. After that, we work proactively with you to achieve your desired results.

More than 75% of our revenues come from repeat clients. Generally, our clients hire us for one project and find our expertise so valuable, they hire us for additional projects. In addition to providing forecasting, staffing and performance services described in this document, Destination Excellence provides the following additional services (please see our web site for more detail):

- **IMPROVING PROFIT MARGINS.** There are two sides to the profit equation, revenues and costs. Destination Excellence can help you improve revenues through service and sales. We can also assist you in controlling costs through disciplined systems and processes, either for internal operations or outsource partnerships. Destination Excellence has developed strategic business modeling for companies in a number of vertical markets: wireless, utilities, travel, financial and e-commerce to name a few.
- **AUDITING AND BENCHMARKING YOUR OPERATIONS AND SERVICES.** Destination Excellence utilizes its proprietary 100-Point Audit tool to help clients benchmark their current operations and performance against the industry. With a database of over 30 audits across a number of industries, Destination Excellence works with clients to provide recommendations and information on the areas where they have attained world-class performance and which areas that require development. Feedback to clients is provided in a way that they can assess their relative performance against other call centers as well.
- **CREATING A CULTURE OF EXCELLENCE AND SUCCESS.** Companies increasingly understand that a culture of service begins with service to the people within the company. It has been shown that companies that create cultures of excellence with their people have higher customer satisfaction and profits. Destination Excellence helps companies to:
  - Define a culture using organizational principles and practices rather than processes and procedures.
  - Create an organizational dynamic using a concentric circle approach rather than the traditional hierarchical approach.
  - Develop a sense of community within an organization to reduce turnover and increase performance.
  - Envelop activities with communication streams to maximize the effect of each individual.
  - Instill a sense of continuity within each individual in the organization to optimize their tenure in the group.
  - Engage individuals in community activities to promote a strong corporate image.
  - Train for specific outcomes with measured goals and objectives to increase the impact of the investment in training.



- **HIRING THE RIGHT PEOPLE AND DEVELOPING THEM FOR SUCCESS.** Hiring the right person is a great beginning. The next step is to train them to achieve their best for themselves and the company in order to create an environment of excellence. Destination Excellence will help your company accomplish the following:
  - Identify the best tools to predict the success of people before you hire them.
  - Develop a comprehensive hiring program to maximize the potential success of everyone you hire.
  - Implement a new-hire training program to equip people to perform at their maximum potential.
  - Design ongoing training and communications systems to maintain the enthusiasm of your people throughout their career.
  
- **ASSESSING AND INSTALLING SYSTEMS AND TECHNOLOGY.** Destination Excellence has hands-on experience in call center systems. Telecommunications services, ACDs, Manpower Planning Systems, and CRM systems are included in the array of call center technology experience found at Destination Excellence. Destination Excellence provides a three-dimensional analysis of not only the cost of new technologies, but also the return on investment to the call center. Our services also include user specification development, contract negotiation, vendor management and post-installation quality checks.
  
- **SELECTING AND MANAGING OUTSOURCE PARTNERS.** Destination Excellence understands that not all businesses require, or desire, to maintain their own call centers. Successful businesses focus on their own core competencies. Strategic partnerships with excellent outsourcing centers provide a company with professional customer contact, while freeing up valuable internal resources. Destination Excellence has helped companies place outsourced call center and e-center business, as both a partner and intermediary. Utilizing a proprietary 100-point call center audit, Destination Excellence has successfully placed over \$10 million in call center business, and helped to create excellent, metric-driven long-term partnerships.
  
- **MEETING YOUR CUSTOMER CARE NEEDS.** The information provided here is just the tip of what Destination Excellence can do for your customer care group. Other client projects Destination Excellence has worked on include:
  - Turning around failing companies increasing their market value and long-term success.
  - Strategic planning for start-up and ongoing firms.
  - Industry opportunity and market analysis.
  - Financial planning and modeling.
  - Workshop development.
  - Executive education.

Contact Destination Excellence to see how we can help you.

**Contact Destination Excellence toll-free on 877-433-7839, or e-mail us at [info@destex.com](mailto:info@destex.com). You will be glad that you did.**

