



# Management Matters

► **The Story:** Consistently superior performance by call-center representatives remains very hard to reach.

► **The Background:** Successful front-line managers are key to attaining best-in-class call center performance.

► **What Needs to Happen:** Insurers must identify their most effective call-center managers and replace weak ones.

Effective front-line managers are crucial to improving call-center performance.

by Dave Edwards

**T**he past 18 months have presented business challenges not seen by the insurance industry in decades. Hard pricing markets and static or shrinking budgets are limiting traditional opportunities for growth, systems upgrades, and significant process improvement. Yet, operations managers continue to be asked not only to do more with less, but to sustain and even elevate customer service levels to the point where service

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differentiates their companies in the marketplace.

Which elements must be consistently and effectively well-managed to achieve this differentiation? Recently, gallons of ink have been spilled in an attempt to answer this question. The defining elements often are displayed in a model. (See graphic on next page.) The illustration draws attention to the strategic focus of the organization, its primary functions, key operational activities and the underlying infrastructure supporting the organization.

Good call-center leadership recognizes the importance of these elements and communicates to staff the

expectations for them. Staffers know, for example, why it's important to remain focused on the elements and are aware of the performance outcomes that can be expected. After all, the combined expense of systems, call-center staff, physical plant and support staff in the home office represents a multimillion dollar commitment. These resources should be used effectively to deliver superior service to customers.

However, for many centers, sustained and superior performance remains stubbornly out of reach. Special meetings, memos from the top, awards for agent quality and service, and other fanfare often

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produce improvements in center performance. Invariably, though, progress is later erased when performance returns to prior levels.

**A Close Look**

What's the problem? A first-level diagnostic surrounding the leading performance indicators of adherence, occupancy, the TSF (telephone service factor) percentage, FCR (first call resolution) ratios and outbound call ratios typically will show one or two consistently superior teams; a small number showing solid but unspectacular results; and a significant number with unacceptably weak outcomes. It's useful to stratify performance by team, but these are static measures, even when trended. They inform management about the "what," but the more important

question is the "why?"

One approach requires looking not at the "what" of the operating model (i.e., telephone systems, reports, metrics, staffing) but the "who"—and it's not the agents or representatives. Instead, the focus should be on front-line managers. The impact they have on call-center performance, while tacitly recognized, too often is overshadowed by concerns surrounding agent performance, system functionality and availability, and daily call flow management.

But of all the operating model's pieces, front-line managers are arguably the most important because they are the ones who, through agents, manage the tactical delivery of the service promise to customers.

Superior front-line managers:

- Cost-effectively align strategies,

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processes and procedures, and administrative and regulatory compliance.

- Recognize great agent performance and identify and correct shortfalls in individual agent performance.
- Inspire their agents.

This last characteristic is the mission-critical element in achieving and sustaining differentiating customer service. Without it, consistent best-in-class call-center performance is nearly impossible. With it, deficiencies in systems, metrics and procedures can be overcome.

Moreover, their ability to inspire agents can unlock discretionary efforts that represent a 10% to 15% improvement in performance, according to research. With all other mechanical elements of competitors' call centers being equal, it's the character-and-results-delivery capabilities of front-line managers that can generate market-differentiating service.

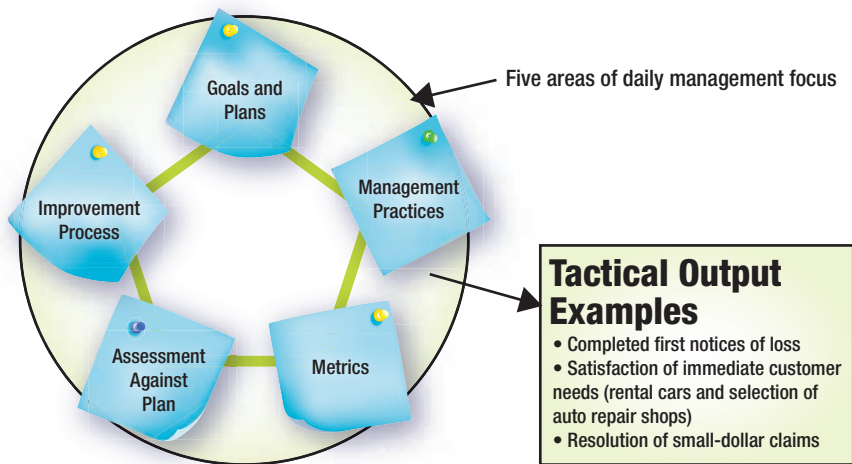
**What to Look For**

"Inspiring" is a trait that defies simple definition. However, the characteristics of the best front-line managers are common across industries, making it easier to pinpoint those candidates most likely to inspire.

A quick review of these characteristics makes it clear that people exhibiting all of them are few and far between, which helps explain why breaking through and leaving behind average call-center performance is so difficult. (See "Traits of an Inspiring Manager," next page.)

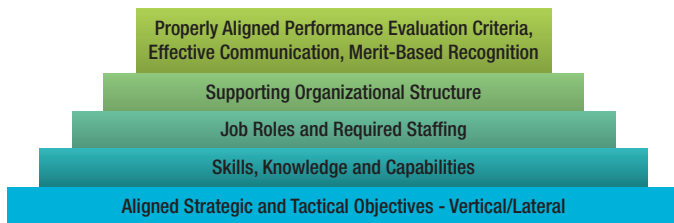
Making it even harder to assess manager potential is the leadership-manager relationship and environment dynamic. Managers might have been

**The Objective: Consistently Superior Customer Experience Outcomes**



**Supporting Infrastructure**

The operational infrastructure elements provide the foundation upon which service excellence can be consistently delivered.



The graphic is an illustration of one way to display an operational model. The example is for a moderate-size property/casualty call center with about 650 representatives. The model illustrates the key components that must be managed to produce market differentiating results, their linkages and a general sense of the complexity of the task.

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inherited from previous leadership, or find themselves in an environment where business/results expectations have changed significantly (for example, mutual-to-stock company transitions), or they might have been promoted based upon strong performance in an individual contributor role.

As daunting as the task may seem, manager assessments and resulting actions are not something to put off. Ensuring that a corps of superior managers is in place often takes months. The company will need to identify its best managers, coach its evolvers and replace the others. And the presence of superior managers is particularly critical if significant operational change is anticipated.

Organizational backsliding, sub-optimization of change results and senior leaders' distraction from core strategy is a sampling of the risks to potential benefits of change if

effective front-line managers are not in place.

So how does a company get there? It's difficult—another reason why many centers never achieve consistent, superior performance. Nonetheless, top-caliber front-line managers are an absolute requisite for operational excellence, even more important than making certain that well-trained, competent agents represent the company.

Think about it: Wouldn't you rather have great drivers and an adequate race car than a state-of-the-art machine piloted by drivers who cannot push it to its limits?

Finally, a companywide upgrading of front-line managers requires senior leaders to use their objective assessment skills and, sometimes, dispassionate action.

Consider this eight-step process:

**1. Share** the underlying characteristics. Provide examples of

behaviors, actions and deliverables that demonstrate them.

**2. Summarize** each team's current performance and perceptions. Have managers summarize the current state for their teams, based on criteria you set. The main operational metrics are a good place to start.

**3. Define** year-end and ultimate goals in terms of key measures. Declare the desired customer satisfaction levels, TSF, FCR quality, workplace satisfaction and staffing.

**4. Establish** achievable interim performance milestones—perhaps 30, 60, 90 and 120 days.

**5. Mandate** weekly performance reviews. Discuss team results versus interim and ultimate goals, plans for improvement action and the probable impact of those actions.

**6. Speak** with agents, corporate working partners and stakeholders in the field. Understand their perceptions of how your managers are doing. Do this at the beginning of the assessment period and at various stages during it.

**7. Counsel** the performers who've fallen short of the goal. Establish assessment milestones at 30, 60 and 90 days and a resolution action date at 120 days.

**8. Clearly communicate** any actions taken and the reasons for them to all front-line managers.

Undertaking this tough process is a true test of leadership, and few are willing to do it. But the consequence of inaction is a legacy of average call-center performance. On the other hand, the benefits of taking these eight steps are enormous.

Once taken, this less-traveled path leading to differentiating customer service has few obstacles.

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### Traits of an Inspiring Manager

