

Making the Back Office Pay

Measuring and increasing productivity while reducing costs

The back office has an identity issue. For many organizations it can be an operational enigma – the domain of a vast volume of transactions that involve complex processes and systems that are sometimes difficult to measure. Understanding how to manage many different types of back-office tasks in the most consistent and efficient manner is a perplexing challenge. While it's ideal for the back office to be invisible to the customer, supervisors and managers should have a clear and detailed view into productivity metrics and drivers. Customers may not see very far beyond their contact center interactions, but the quality of their experiences is indirectly influenced by the effectiveness of back-office employees' performance.

Inefficiencies in the back office drive up costs on several levels. There's the risk of customer attrition – and lost business opportunities – when they become disgruntled by processing delays, billing errors and other miscues that originate downstream. And suboptimal staffing, the most significant financial drain, results from the inability to forecast, schedule and track both the number and qualifications of employees required to effectively run a back office.

The Front End Gains of a Productive Back Office

When organizations optimize back-office systems, processes, and ultimately employees' performance, the benefits carry over to customer interactions. Reducing data entry, billing and other transactional errors can relieve the contact center of a significant percentage of call volume and the associated costs, and also contributes to a better customer experience.

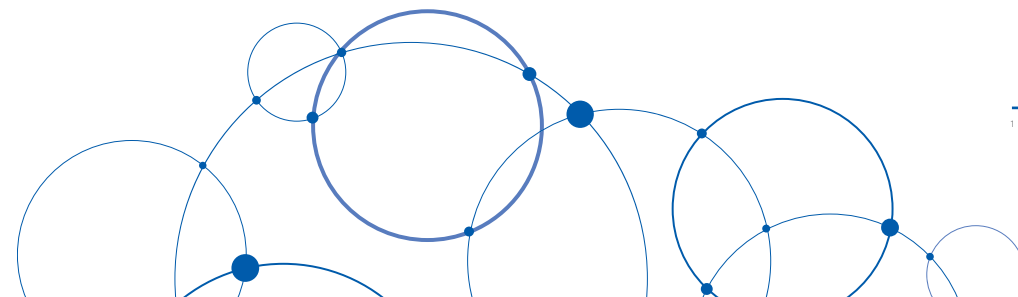
Studies support the bottom-line advantage of the links between back-office efficiencies and both customer satisfaction and loyalty. McKinsey reports that improving back-office efficiency and effectiveness from average- to top-quartile levels can increase an organization's net margin by two percentage points.¹

Improved Staff Utilization through Predictive Analysis

A solution that offers full workforce optimization capabilities – including workforce management, performance management and quality management – equips organizations to improve strategic planning by scheduling and maintaining both the right number and types of back-office employees. Scheduling analysts can experiment to find the staffing scenario that best accommodates planned or unplanned events. By using automated analytics to test different scenarios, they're able to easily manipulate the variables to determine the optimal staff and resource configuration for meeting a specific set of business needs. On the reporting end, flexible capabilities can be extended across the organization to allow the fast relay of workforce management-related data to all stakeholders, which supports improved planning and decision making.

One challenge of balancing staff with transaction demands is the variation in response times for different types of work. When tasks such as processing claims or transactions, fulfilling orders, and other back-office activities are completed at multiple sites or outsourced locations, solving this equation becomes even more complex. With the ongoing need to be agile in the face of both predictable and unexpected staffing changes, flexible forecasting and scheduling capabilities – as well as intraday performance evaluation and schedule tracking – are invaluable for attaining optimal efficiency and effectiveness.

¹ McKinsey Quarterly, January 2010



Employees' Continuous Improvement

Maintaining the right number of workers to service the business is just the starting point for effective workforce management. A robust automated software solution for the back office will also help organizations balance their business needs with the needs of their employees.

Capabilities for evaluating employees' performance can also provide employee empowerment. A worker's productivity level can be measured and reported, including the number and duration of tasks handled as well as the amount of time spent in productive versus unproductive activities. Dashboards and other reports compare outcomes to targeted values for key performance indicators. When results fall below preset thresholds, automated alerts can prompt supervisors and automatically initiate online coaching that provides remedial instruction. Predefined coaching specific to each learning need provides immediate, consistent guidance, which is reinforced by a performance improvement plan that tracks the time and effectiveness of completion.

Employees are also given the option to bid on preferred shifts and request schedule changes within selected parameters, helping to raise morale and increase retention. The benefits to the business are reduced administrative costs and increased efficiency that come with automated schedule changes and notices via email and screen pops. In addition, tools that allow managers to monitor real-time and historical schedule adherence, and track actual to targeted employee performance with performance scorecards, provide insightful feedback that helps organizations get the best return on their staffing decisions.

UC-Enabled Insight into Staffing and Problem Resolution

Workforce optimization technologies contribute to back-office productivity by helping to automate the workforce planning process, while consolidating staff and increasing overall operational performance. The most advanced software solutions deploy unified communications (UC) and collaboration across the contact center, the back office, and into the rest of the enterprise to deliver increasing gains in workforce efficiencies through faster problem identification and resolution.

Embedded user presence, empowered by UC, allows workers to quickly find and engage the most appropriate resources. With a highly versatile suite of contact and collaboration tools at their disposal - including instant message (IM), email or voice calls - more efficient issue management and resolution is just a few clicks away. Managers, supervisors and staff can easily collaborate on service level and other staffing topics that are central to productivity.

An open data management and integration architecture provides the infrastructure to collect workflow and employee productivity data from back-office systems and applications. Historical data patterns are identified and can be analyzed and modified based on current information and assumptions, allowing simulation of "what if" comparative scenarios and projected outcomes. The result is flexible, sophisticated planning that optimizes multiple work types and multi-skill worker environments.

Automated capabilities allow managers and supervisors to more accurately plan, evaluate, and manage not only the performance of back-office employees, but also the workers who service both the contact center and the back office. Overall performance can be more closely aligned with business goals, and employees are individually empowered to achieve these objectives.

Solution Essentials for Optimizing Back-Office Productivity

Workforce optimization provides better insight into tasks and employees, and the forecasting, scheduling and tracking flexibility needed to reduce the number of staff required to meet business objectives. The most comprehensive solutions:

- **Conduct a quick scenario analysis** to identify the right staffing profile for effectively responding to unexpected events.
- **Optimize tasks across contact centers and back offices** to create a centralized plan for effectively and efficiently servicing customers.
- **Offer multi-site scheduling capabilities** that provide a global perspective for environments that share tasks across sites.
- **Enable convenient workforce data sharing** with outsourcers to gain a complete, accurate view of activity.
- **Capture data on tasks and employees** to effectively optimize and report on operations.
- **Evaluate employees** by monitoring real-time and historical adherence to work schedules, to inform corrective actions related to staffing plans and employees' performance.
- **Track actual to targeted employee performance** with scorecards that help employees understand and optimize their performance, and help managers identify areas for improvement.
- **Provide dashboards and reports** that measure an organization's and individual employees' overall productivity.
- **Initiate online coaching** when an employee's performance falls below a set threshold, to improve individual and overall operational effectiveness.
- **Empower employees** to manage their own schedules within preset parameters to increase morale and retention.

Reduced Complexity and Costs through Integration

Back-office systems often combine workflow management products obtained from outside vendors with applications developed in-house. Data collection for back-office systems requires an open and flexible architecture with application program interfaces (APIs) and a software development kit (SDK) that provides the tools for integration. The best solutions offer an open architecture on standards-based solutions to assist integrators, and an open SDK that allows seamless integration and data sharing with other key back-office technologies in a variety of ways.

Conclusion

Workforce optimization solutions can increase the productivity of back-office operations and decrease costs. Specifically, they help to improve customer service levels while decreasing required staffing through predictive modeling. These solutions also empower and improve employees' performance through automated coaching and by allowing employees to manage their own schedules using predefined rules. Finally, data may be easily integrated using industry standard technologies to create a truly global view of operations.

The ultimate reward of an automated workforce optimization solution is consistently quicker, more accurate response to customer queries. Organizations are able to cultivate loyalty through long-term satisfaction – without adding resources or budget.

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