

Performance Analysis Report

Introduction

This report is submitted to PJ Enterprises as a report of findings and recommendations on the performance issue analyzed by ARBO, Inc.

Background

PJ Enterprises is experiencing many problems across all lines of their operations. ARBO, Inc., has been contracted to assess the circumstances, make recommendations for implementing changes related to training and other operational problems and to be involved in facilitation of carrying out the recommended solutions. Initial discussions indicated issues with training, operations, and employee morale. After these discussions, PJ Enterprises agreed to allow ARBO, Inc. to complete a Performance Analysis to help get to the root causes of the operational problems that exist at PJ Enterprises.

Purpose of the Report

The purpose of this report is to identify and suggest strategies as solutions to the operational problems PJ Enterprises is experiencing. Some of the solutions will be carried out and some will be recommendations. Some will be implemented immediately and some will be staggered as part of a strategic planning process over time. Some are training-related and others will address areas that impact how PJ Enterprises operates.

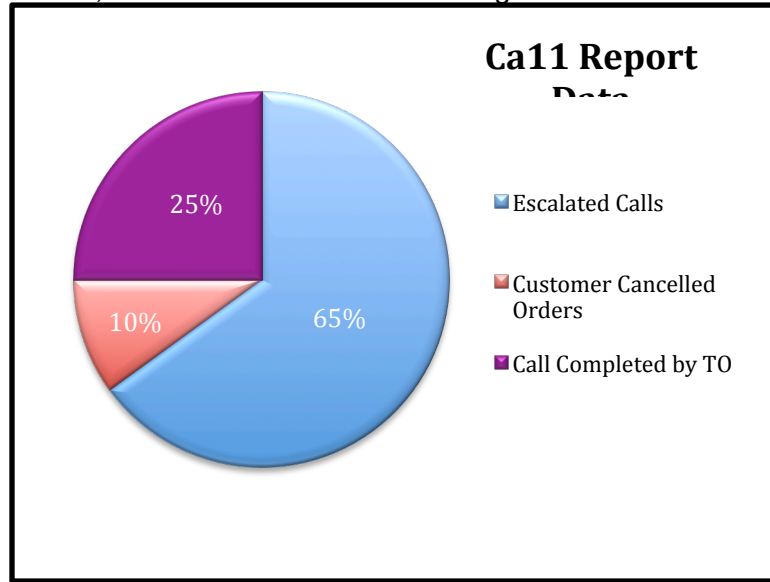
Analysis Methods

In order to determine causes and recommend solutions, ARBO, Inc. performed the following tasks.

- TOs were observed to determine the actual phone skills and processes.
- A focus group session with the Telephone Operators was conducted to help understand what is going well and the opportunities for improvements.
- Documentation relating to the service levels (% of incoming calls that TOs answer in an established amount of time) was requested from Jane.
- Documentation relating to the Average Call time (the amount of time the TOs to resolve the call) was requested from Jane.
- Documentation relating to the TO Error Rate and reasons for errors was requested from Jane, Judie and Sheena.
- An anonymous customer satisfaction survey was conducted to collect data from customers on their experiences with placing telephone orders.
- IT Managers were interviewed to collect data on the current telephone and computer equipment and IT infrastructure at PJ Enterprises.
- The HR Department was interviewed to gather information about the hiring process, training and employee advancement and development.
- Judie was interviewed to gather information about providing product knowledge, the structure of the marketing department and training qualifications
- Customer Service Supervisors were surveyed to gather information on what they believe is and isn't working well within the work environment, what the primary performance concerns for telephone operators, operational aspects of the call center and improvements that might be made at PJ. Enterprises.
- Customer Service Supervisors were interviewed to gather information on attitudes, any concerns or input they have on high level of complaints, recommendations for training for Telephone Operators, and other candid feedback they may wish to share.
- Documents were requested from Customer Service Supervisors that might be useful in terms of assessing how they manage the work, the complaints process, and generally, how they do their jobs.
- Calls received by TOs were recorded to use in providing feedback to the staff- both the Telephone Operators as well as the Customer Service Supervisors.

Data Summary: Outcome of calls exceeding 10 minutes

ARBO, Inc. obtained data on incoming calls that exceeded 10 minutes.



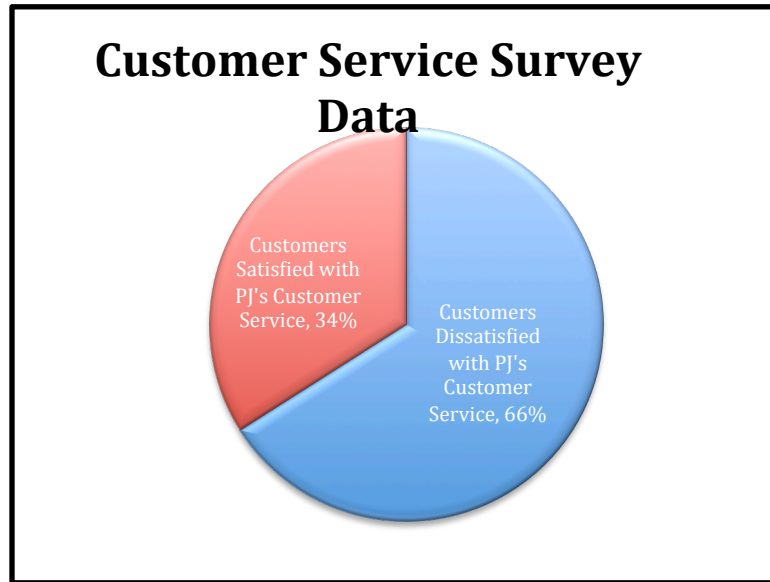
Data Summary: Call duration for incoming calls

ARBO, Inc. obtained data on the length of time for incoming calls.



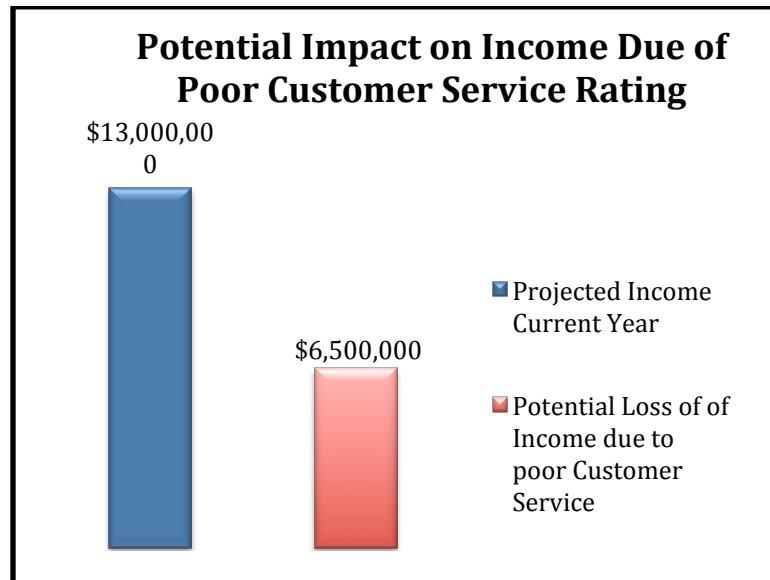
Data Summary: Overall customers satisfied

ARBO, Inc. obtained data on whether customers were satisfied or not with customer service.



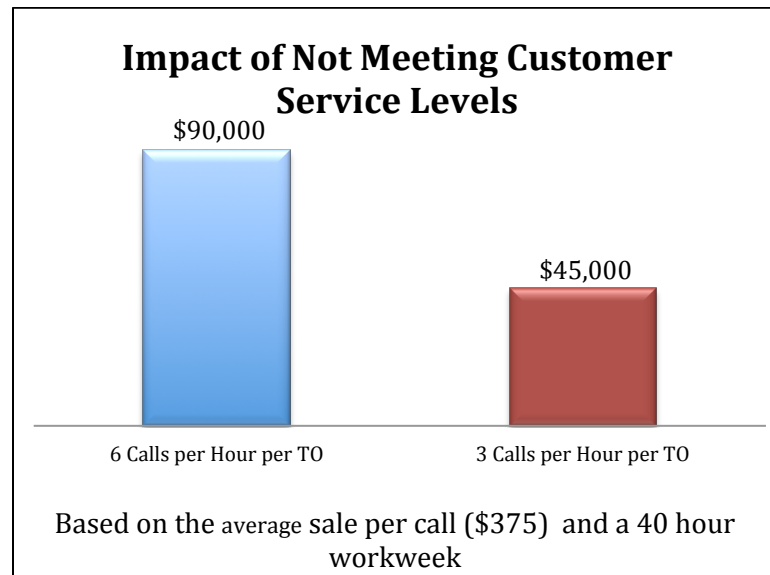
Data Summary: Potential economic impact of poor customer service

Based on data received, ARBO, Inc. has projected the possible economic impact of poor customer service.



Data Summary: Impact of not meeting 6 calls per hour

Based on data received, ARBO, Inc. has projected the impact of TOs not reaching the six calls per hour goal.



Analysis Findings

Based on our analysis, we found the current state of PJ Enterprises to be as follows.

- The company benefits from customer loyalty not only from customer sales, but also by using the customer list for marketing. If the customer list decreases, PJ Enterprises has to expend funds to rent other customer lists, thus decreasing net income.
- Based upon surveys, 50% of customers indicate they may not continue doing business with PJ Enterprises.
- The employee turnover rate is high.
- Employees are dissatisfied with their performance expectations considering the tools and training they are provided.
- Managers are isolated in their offices and rarely interact with the TOs.
- The current telephone system is used at 85% of capacity.
- The expected handle time for a TO is 6 calls per hour (10 minutes). However, the average level is 3 calls per hour (20 minutes).
- A new performance evaluation process has been recently introduced but none of TOs are aware of the new process.
- Although customer complaints were up by 30%, TOs were not aware of the increase.
- TO performance coaching has been ineffective in that the expectations have been communicated in generalities, such as “stop being rude to customers”. TOs have not been trained on professional telephone skills.
- The TOs automatically escalate customer calls to a supervisor when either the TO is unable to answer a customer’s question, the customer is returning a purchase, or the customer has become irritated with the level of customer service.
- The employee electronic survey indicates that employees find the current computer system negatively impacts their success in their roles because it is inefficient.
- TOs’ only incentive is a discount on merchandise.
- Training for new hires consists only of a one-day orientation, which includes company history, the ordering system, current items, and filling out HR paperwork. Training consists of demonstrations. TOs do not feel this is adequate.
- The TO product training is delivered 4 times per year, 2 weeks prior to the catalog release. The 4 hour training is delivered via instructor (Sheena and Judie) led PowerPoint presentation with no materials provided except the product guide at the end of the session. Many times, the session is not long enough to include an overview of all products.
- The majority of TOs state they learn best by seeing and doing.
- Neither Sheena nor Judie have a background in the training.
- Employees find the current method for locating product information in the product guide inefficient and incomplete, often depending on each other for support for locating product information. This increases the call handle time, number of call escalated to supervisors and number of dissatisfied customers.

Identification of Needs

Based on the research, we feel the following needs and conditions are necessary.

- Product knowledge of all TOs needs to be increased.
- TOs need a more effective product detail tool.
- TOs need effective coaching on professional telephone skills.
- TOs need additional training to be able to handle customer questions and purchase returns so those calls do not need to be transferred to a manager.
- Training needs to be designed developed and delivered by professionals who can incorporate effective strategies for the adult learner.
- Communication needs to improve between management and TOs.
- Managers need to be provided with proper coaching skills.
- Team meetings need to be effective and relevant to all employees.
- Employees need to be paid to attend all meetings.
- Incentive programs and the work environment in general need to be improved upon in order to improve employee engagement and morale.
- Empower the Telephone Operators to provide One Call Resolution (the customer's call is resolved satisfactorily by the first TO).
- IT needs to successfully implement SimplyOrder, the new ordering system.
- IT needs to develop and implement short, targeted, reusable training on the new ordering system in order to increase efficiency
- Customer Service Supervisors need to be equipped with the skills necessary to lead by example in delivering service and providing effective training.
- Customer Service Supervisors need to demonstrate positive coaching in call center service delivery and develop respectful and responsive communications and open door availability to their staff.

Recommended Solutions for PJ Enterprises to Consider

ARBO, Inc. recommends PJ take the following actions.

- TOs should will be provided with an electronic product guide tool in which TOs have the ability to perform electronic Search & Find functions and can view a picture of the item.
- TOs will be allowed an opportunity to physically view and interact with the as many of the products as possible to increase product awareness.
- Managers will be provided training in areas of respect in the workplace, professionalism and how to effectively coach employees.
- An incentive program based on the feedback from employees will be created. For example, instead of discount for company products, cash incentives, paid time off or other incentives will be offered .
- Monthly employee meetings, where employees are paid to communicate department metrics, new procedures, awards and product news will be rolled out.
- A training program for TOs and supervisors on these telephone skills will also be created.
- A training program designed to provide the TOs with the skills to handle customer service, product returns and customer dissatisfaction calls will be created.
- A call monitoring and Quality Assurance program to provide effective coaching feedback to the TOs and to help measure performance will be implemented.
- Track the capacity of the new ordering system, SimplyOrder, to compare with the 85% usage of the previous system. This data will help show how the new ordering system is meeting the needs of the company.
- Request an estimate from the vendor supplying SimplyOrder on the time requirements and cost to add product information and/or EPSS-type functionality to the system.
- Implement training on the new ordering system, SimplyOrder. Request a proposal from the vendor of SimplyOrder for current training and job aid materials, including videos and e-learning, available with the purchase of the system. If no training, or less than acceptable training, is provided from the vendor, ARBO will develop training for the new ordering system and implement it during the new ordering system rollout.

Proposed Solutions for Consulting Firm to Carry Out

ARBO, Inc. is prepared to assist PJ Enterprises with the following solutions.

- Standard professional telephone measurements will be defined and trainings will be created so TOs have the skills to deliver the expected professional customer experience. The class will include role playing experiences.
- ARBO, Inc. is excited to offer a product knowledge class in which TOs and managers are given the opportunity to interact with products. Sheena will be asked to participate in the class as a SME to answer any specific product questions.
- The class will be supplemented with a series of 5 recorded PowerPoint featuring approximately 10 products. These PowerPoint presentations will be available for New Hires and also as a resource for current employees to refresh their memory on products.
- An electronic product guide so TOs can more efficiently locate product information will be created. A training program to instruct the TOs and managers on how to use the tool will also be created.
- A facilitated, interactive training program in which TOs are provided the skills to handle customer service calls as well as product returns will be created
- If the vendor of SimplyOrder offers the option to purchase training, ARBO will review the training and training materials to see how well the training matches up with the company's stated goals, as well as provide recommendations to PJ Enterprises on implementing the vendor training.
- At the time PJ chooses to implement SimplyOrder, ARBO will submit a new proposal for the creation of e-learning on SimplyOrder in the form of a reusable learning object that can be viewed by employees during implementation when the system goes live and then later at any time they choose
 - The goal of this e-learning will be to quickly train employees on the new SimplyOrder system and reduce the amount of time it takes CSRs to learn the ordering system.
 - The e-learning will include interactive actions (e.g., click on the Submit Order button) and assessments in the form of interactive knowledge checks (e.g., click the menu item that will open a new Sales Order) to satisfy the survey results that indicate the majority of CSRs learn best by doing and seeing.
 - The e-learning will be delivered in short modules to support the majority of CSRs who state shorter training sessions would increase their success in their roles.
 - Two computers with sound cards will be made available to employees for e-learning purposes.

Evaluation Plans for Call Center Operational Changes

Below is a list of plans for call center operational changes.

- The current number of calls escalated to the managers will be compared to those 3, 6 and 12 months after training.
- The current number of customer complaints will be compared with the customer complaints in 3, 6, and 12 months.
- The current average call handling time will be compared with the average call handling time in 3, 6, and 12 months.
- The effectiveness of the SimplyOrder e-learning will be measured by collecting data on answers to knowledge checks within the e-learning to measure employee comprehension and skill in performing tasks in the ordering system .
- The number of customer complaints regarding CSR response times will be tracked, along with data about usage and call time in the new ordering system. This will help measure the effectiveness of the SimplyOrder system, which could affect future revisions to the e-learning. This data will be compared to data collected prior to the implementation of SimplyOrder.
- The effectiveness of the SimplyOrder e-learning will be measured by consulting with Human Resources on the Customer Service Supervisors evaluation process about creating a new review process to measure and evaluate their effectiveness and success on the competencies and expectations from the training they received.
- Electronic surveys that are anonymously submitted to the CSRs at 3, 6 and 9 months to solicit their feedback on changes and improvements to all areas of the Call Center operations, including the supervision they receive, will be delivered.

Request for Proposal

ARBO, Inc. is an established consulting firm with over 20 years experience, specializing in training implementation, in training development and integration. It is has been our pleasure working with PJ Enterprises. We are very interested in continuing our relationship. Upon your request we will submit a proposal to provide the solutions spelled out under the section titled "Proposed Solutions for Consulting Firm to Carry Out."