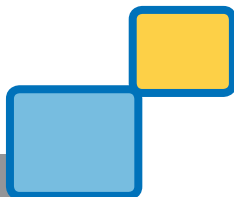




**Using Call Logging for Business Optimization**

A White Paper from OAISYS®





## Introduction

Call logging (also known as call recording, call monitoring or call documentation) is the practice of listening to, recording and evaluating telephone calls between employees and outside callers.

Ten years ago, call loggers were mainly used in large call centers or in companies where regulations mandated that they record customer transactions. Today, there has been a dramatic growth in their utilization, and call loggers can be found in almost every type of business from dental clinics to car dealers to credit unions. The market for call loggers has reached \$1.B per year and is expected to grow at a rate of 10-15% per year.

This phenomenon can be attributed to two factors: 1) the proven benefits of using this technology in today's extremely demanding business climate and 2) a continual decrease in the cost of call loggers, making them more affordable. This white paper will review how companies that have telephone intensive operations are using call logging to optimize their business.

## Minimizing Business Risk

Email has been firmly established as a major channel for interactions between businesses and their customers, but phone transactions are still the number one vehicle for B-to-B and B-to-C communications. Every hour of every day, business commitments such as price quotes, delivery schedules, order acceptances and service performance guarantees are made during routine telephone calls. These commitments create liability for both parties. But weeks after a conversation, how well can the parties really recall what was said and when? In our litigious society, many businesses have found that it is just as important to document and save these verbal agreements as it is to retain written ones.

Unlike email, where a company can use the archival capabilities of their email management systems to create easily accessible digital records of their communications, how can an enterprise reliably document voice transactions? Many have found the answer in call logging systems.

## Using Call Logging for Business Optimization

Today's call loggers can be programmed to automatically record all calls or only calls that management deems relevant, such as calls to the customer service group or calls that are longer than 30 seconds in duration. They can also be configured to allow calls to be recorded on demand. In addition, system operators can decide whether to retain the recordings for just a few days or for years. These features enable companies to document their verbal transactions as easily as they do their written transactions.

Call loggers can have simple but powerful search and play mechanisms. This enables users to quickly and easily retrieve recordings based on specific criteria rather than requiring them to listen to hours of playback just to find a single conversation. Once located, a recording can be conveniently played right on the user's PC with a standard media player.

Many call loggers feature an open systems architecture which provides for integration with other applications, such as CRM systems. This is very useful in streamlining processes. For example, with an open integration capability, a recording ID could be attached directly to the customer's order record in a CRM system. Now an employee, who is trying to quickly resolve a dispute, validate an agreement or confirm an order, doesn't have to search for the recording. They just point and click on the recording link in the order screen and they have immediate access to the original conversation. They can even email the recording to a client in standard audio formats. No more, "He said, she said;" an accurate and complete record of the verbal transaction is available for everyone's review.

With call logging, managers have a tool which can help them identify the root causes of both individual and systemic problems in their business. They can use this information to focus on those personnel or process changes that will optimize their operation.



Even minor improvements in reducing order errors or in the percentage of disputes resolved in their favor can justify the cost of a call logger. As an example, suppose a company is averaging 5,000 telephone orders per month, and 2% of these orders are being returned at a restocking cost of \$50 per order. If call logging can be utilized to identify the real reasons for the returns and management is able to use this information to reduce returns from 2% to 1.5%, the company could save \$15,000 per year.

Assuming that the purchase price of the call logger is \$30,000, the company would receive a payback on their investment in only 24 months.

## Complying with an Increasingly Complex Regulatory Environment

In today's world, many businesses are struggling to operate in an increasingly complex regulatory environment. Hospitals, insurance companies, and doctor's offices must comply with regulations contained within the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Many banks, credit unions, and other financial service institutions are attempting to become fully compliant with numerous federal and state privacy provisions such as the Gramm-Leach-Bliley Act (GLB Act). The SEC and NASD have established volumes of rules for brokerage firms. Collection agencies are required to follow federal laws such as the Fair Debt Collection Practices Act and the Fair Credit Reporting Act, and there are numerous other regulations for other industries.

Violations of these acts can result in substantial fines and, in some cases, criminal penalties; so compliance is a serious matter.

Since many customer transactions are carried out over the telephone, even companies that aren't required to record transactions have invested in call loggers to aid them in compliance. By recording customer or patient calls, companies collect accurate documentation that can be used to prove compliance or aid them in defending themselves if false or erroneous claims are made. Since some of the financial penalties for violations are quite large, many organizations have invested in a call logger as an "insurance policy" to minimize risk.

It has also become an accepted practice to allow employees to listen to their own recorded conversations (Call loggers can restrict the employee's access to only recordings they are authorized to hear.). Employees that periodically monitor their own calls become more aware of what they are saying and can heighten their vigilance about giving out information that should not be disclosed. This self-monitoring may also re-enforce adherence to policies requiring them to present disclosure statements.

These practices can help reduce violations and the potential for fines. One call logger feature that is particularly valuable in the event a copy of the recording has to be used in a legal proceeding is "digital watermarking". This technique uses software that inserts a special code into the digital call record that is not audible but can be detected by a special program. With this feature, users can demonstrate that their recordings haven't been tampered with or modified. As a result, expert witnesses will not be required to authenticate the integrity of the recording, nor can its authenticity be easily challenged.

## Creating Delighted Customers

In today's economy, profit margins are getting thinner and customers are demanding more value. Thanks to the Internet, a company that used to have just local or regional competition now has competitors from all over the world. Because information flows so rapidly, when any competitor "raises the bar" on performance, it can become the new global standard. Studies<sup>1</sup> have shown how a company's success is tied to its ability to retain its profitable customers (It costs around five times more to attract a new customer than it does to keep a current one.), but in the current environment, retaining customers has become very difficult. Keeping them satisfied isn't enough; they have to be totally satisfied or delighted in order to stay loyal. And being able to accurately measure customer satisfaction has become vital for survival.



A lot of companies measure customer satisfaction by mailing out surveys. Unfortunately, these often can produce erroneous results or an incomplete picture, as the customers most likely to complete a survey may well be on either end of the satisfaction distribution spectrum. To complement or even replace these surveys, many managers have turned to call logging systems to gather information on the “customer’s experience”.

Call logging can provide immediate and accurate information on how well a customer was treated. For example, it can answer such questions as, “Were they treated in a friendly and courteous manner?”, or “Were the customer’s needs resolved in a single call?” In the past, managers focused on productivity measures like the number of calls answered, average call duration, etc. These measures gave them the data they needed to manage the efficiency of their operations. Now call loggers have added a new measurement dimension; managers now have a tool to assess the quality of calls. This new quality measure can help ensure that customers are receiving the level of service they were promised, which is critical to achieving totally satisfied customers.

In addition, by capturing the user experience in their own words, businesses can find out what customers really think of them. Sales executives who systematically “mine” this information can uncover what products or features are “hot” and which are not.

Marketing executives can determine if their advertising or promotions are effective.

Customer service managers can discover what is at the heart of customer complaints.

Operations managers can quickly identify and correct process problems (Example: Customers complaining that no installation manuals were included with product shipments). By establishing processes to regularly review the customer intelligence collected by the call logger, managers will have the information they need to assess the effectiveness of their products, services, and advertising. This customer intelligence allows management to learn what is needed, train to fill in gaps and profit from the investment.

Since there is no material difference between the product offerings of many companies in the same industry, customer service is often a key differentiator. Therefore, it is vital to provide the best service possible, and a quality monitoring program using a call logger may just be the best vehicle for achieving this goal. According to a recent article in Contact Center Professional magazine<sup>2</sup>, “It is now widely accepted that the quality monitoring process, when done well, is an organization’s best shot at delivering service that delights the customer.”

## Effectively Train Employees

Each year corporations spend billions of dollars on formal employee training programs.

Training managers, however, are often hard-pressed to prove the effectiveness of this training. Students typically score well on post-training class tests, but the real question is whether or not any of the new knowledge and skills are retained and transferred back to the job.

One of the best ways to measure training effectiveness is to determine if the student’s behavior in the workplace actually changes as a result of attending the class. This is usually done by observing the employee in their work environment using a standardized survey process. Ideally, this measurement is conducted three to six months after the training program to allow time for the employee to implement the new skills.

Previously, this would have required a substantial investment in both people and time. Now, using call loggers, managers can “observe” an employee at any time and from any place to determine how well the training is paying off. In addition, managers can conduct a fair and comprehensive review of the employee’s behavior while they are actually engaged with customers, using a standardized quality evaluation form provided by the call logger software. This allows managers to get a handle on how well the employee is applying required skills.



Based on these observations, they can tailor the employee's training program to correct specific skills or knowledge gaps. This approach reduces training expense and makes for happier employees because people don't waste time in classes they don't need.

Also, because call loggers can store the evaluation scores and generate reports, managers can track the progress of individuals, groups or the entire company. The call logger itself has been used as an effective learning tool to compliment formal training. New employees that are given an opportunity to listen to recorded conversations of experienced salespeople (or collections agents, customer service advocates, etc.) can quickly gain a grasp on what their job entails and what their managers expect of them. They hear "real life" examples of the best way to handle a situation as well as examples of calls gone wrong. This approach can be very effective in accelerating the development of new hires.

Even experienced personnel can benefit from listening to "best practice" examples of how to deliver an outstanding customer service or sales presentation. There are few "born" salespeople, collections agents or customer service reps. But by leveraging what they observe, employees can emulate successful people and improve their own skills.

These "best practice" examples are often the best teachers of desired behavior. To facilitate this practice, companies have adopted procedures to systematically capture and store "best" and "worst" calls. Once catalogued, both supervisors and employees are encouraged to use the recordings as learning guides. Overall, the training experience can likely be enhanced if a review of "best practices" recordings is combined with formal training.

Also, many companies encourage employees to listen to their own customer interactions. Call loggers have browser-based playback software that allows recordings to be played over any multi-media workstation. This makes it feasible for all authorized employees to easily retrieve and play recordings.

They hear how they handle themselves in typical situations, learn what they do well and uncover what they can improve on next time around. Employees can feel empowered because they know that if they are accused of inappropriate actions, they'll have the recording of the conversation to defend themselves. This further enhances the value of call logging to both the company and the employee.

Another benefit of allowing employees to access their own recordings is that it can help negate their natural aversion to having "Big Brother" watching over them. Because employees can use the logger as a job aid and training tool, they see that they are deriving personal benefits from the system and feel less threatened by the prospect of being monitored and recorded.

## Improve Productivity

If you compare two different companies in the same industry, it is conceivable that Company A has more employees than B, yet Company A produces less. This could be because Company A has disgruntled, low-output employees even though they might be paid more! This is why some progressive, innovative managers now achieve productivity gains with human resource management techniques that go beyond pay incentives. They know that talented employees are a company's key competitive advantage and motivating and retaining that talent translates to higher productivity.

Purdue University has conducted numerous studies of agent productivity in the call center industry where call loggers are widely utilized. Purdue's research<sup>3</sup> has shown that call centers with an effective call monitoring and coaching program achieved measurable improvements in agent productivity as compared to call centers that did not have them. In these centers, calls were answered more quickly; the average length of calls was shorter, and agents took less time to wrap-up from the previous call to get ready for the next one. These productivity improvements translated into increased customer satisfaction (For example: Customers don't have to wait as long for their calls to be answered.) and reduced operating costs (Fewer agents were required to handle same call volume.).



Intuitively, these results were expected; however, in addition to improving productivity, somewhat surprising was the fact that agent satisfaction was higher in centers where call recording/coaching were used. The agents responded well to their supervisor's positive feedback on their performance. They liked the individualized coaching they received, the consistency in their supervisor's evaluations of them and the clear explanations of what was expected of them. They appreciated the fact that they were not being judged solely on call statistics (i.e., how many calls they handled, average speed of answer, average call durations, etc.), but that they were also being evaluated on the "quality" of the call ("Did they 'connect' with the caller?," "Did they answer all the customer's questions?," etc.).

As a result, employee satisfaction was higher, which in turn translated into higher employee retention and higher customer satisfaction. These same results can be expected in informal call centers or phone call intensive departments within an organization.

Additionally, companies that use effective monitoring/coaching programs do more than just improve their employee's skills. They also leverage the business intelligence gathered during customer interactions to improve their productivity by enhancing their business processes.

## Summary

Call loggers provide a variety of benefits for many different types of companies including:

- Independent transaction verification
- Review of customer service issues
- Quality monitoring
- Dispute resolution
- Risk mitigation against false claims or misinterpreted verbal commitments
- Regulatory compliance reviews
- Training enhancement & reinforcement
- Customer intelligence
- Enhanced business processes by integrating recorded information with CRM systems

Some companies have a need for all of these capabilities, although others do not.

Companies that have successfully integrated a call logger/quality monitoring system into their business have been selective in choosing what types of transactions need to be recorded, how they are going to use the recordings to support their overall business objectives and how different functions are going to use the information as it was collected. These decisions were a key aspect of developing a system design and implementation strategy that initiated rapid acceptance and immediate business impact.

Although not all capabilities may be used initially, it may be prudent to ensure that they be available for future use because needs change and companies want to get the maximum return for the investment.

Employee involvement in the implementation process may also be beneficial. Employee involvement promotes a feeling of empowerment and ownership, which facilitates acceptance. Although there may be some initial employee "push back" when implementing a call logger, these anxieties usually disappear as soon as the employee realizes the personal benefits they derive from the system. In any case, when a company looks at the business risk of not documenting a verbal transaction or ensuring regulatory compliance versus the potential for temporary discomfort among their employees, call logging is by far the more prudent choice.



## About OAISYS...

OAISYS is a premier developer of call recording and customer interaction solutions for small to medium size businesses and call centers. Our solutions help companies acquire and retain customers. Our expertise encompasses digital call recording and voice documentation. Our solutions integrate with leading telephone systems to provide a communications solution that enables your company and employees to communicate more quickly, easily and efficiently.

OAISYS products are available from a nationwide network of communication professionals.

To learn more about OAISYS, please visit our website at [www.oaisys.com](http://www.oaisys.com). To schedule a live demo, where you can see OAISYS solutions in action, please email [sales@oaisys.com](mailto:sales@oaisys.com) or call us at 888.496.9040.

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