Introduction

In addition to providing an efficient way to set up a sophisticated call center, one of the most common pieces of feedback we receive is that Talkdesk enables call center supervisors to have greater visibility and insight into call center performance than ever before. Armed with real-time and historical metrics, supervisors and agents alike can now take data-driven steps to improve their customer service quality. But if you’ve never done this before, how do you get started?

For the first time ever, we decided to survey our top customers to understand both what they measure as well as how they benchmark their call center’s performance. Call center key performance indicators (KPIs) will vary from business to business, but some KPIs are more broadly applicable than others. The following report identifies four of the most common call center KPIs tracked by inbound call centers, establishes relevant benchmarks for each based on aggregate Talkdesk customer data, and offers guidance on how these KPIs should be leveraged to improve business outcomes.
Call Center KPI Best Practices

Call center KPIs are metrics that track goals or objectives of the call center or company as a whole. Despite being the backbone of scorecards and dashboards and the topic of many executive meetings, some call center decision-makers fail to understand the characteristics of an optimal KPI.

First and foremost, optimal call center KPIs should be consistent with the objectives of the call center and company as a whole. In order to accomplish this, make sure all key stakeholders are aligned on what is being measured and why. It’s also best to select a few key metrics that are relevant and actionable for your organization rather than measure twenty KPIs and leave stakeholders uncertain about what is really important. Keep in mind that just because you can measure it doesn’t mean it should be a KPI for your organization.

As with any goal or metric, a call center KPI should be measurable and specific. The data required to calculate the KPI should be reliable and accessible for measurement, ideally on a real-time basis. This will allow for early diagnosis of issues so that reparative action can be taken. Remember, if the data for the KPI calculation are messy or inconsistently acquired, then the KPI itself
will be meaningless. Additionally, the KPIs should never be evaluated in isolation. The call center is a dynamic environment and making decisions based on a single KPI without taking into consideration the other factors at play can have unintended results.

Each call center KPI should have a pre-determined quantitative range or target so that you can quickly assess performance and make data-driven decisions based on the metric. Every business is unique, so the best benchmark is always your own organization. You should strive for constant improvement, while recognizing the diminishing returns of pursuing perfection.

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When initially selecting call center KPI targets however, you might not have the benefit of historical data to guide you. Additionally, it can be dangerous to operate your business in a vacuum without being aware of how your peers are performing. For these reasons, it’s also useful to understand industry best practices and benchmarks to ensure your organization is delivering best-in-class customer
service quality.

**Top Four Call Center Metrics**

Based on Talkdesk customer best practices, four of the most common and impactful metrics tracked to ensure inbound call center success in 2015 were:

1. **Average Abandonment Rate**
2. **Average Time in Queue**
3. **Average Speed to Answer**
4. **Service Level**

Let’s spend some time defining each metric and its importance to the business before discussing industry standards.

 IMD

**Average Abandonment Rate**

An abandoned call is a call that disconnects (or is terminated by the caller) before the caller was routed to an agent. Inbound callers typically abandon in the IVR or waiting queue. In today’s environment of rising customer expectations around real-time, personalized service, it’s imperative that you are successfully connecting with as many customers who reach out to you as possible.
Short abandons however, or calls that are disconnected before a predetermined number of seconds, should be filtered out so as not to skew your call center’s abandonment rate and impair your ability to make sound management decisions.

To measure the average abandonment rate in Talkdesk, first configure an abandoned short calls threshold to filter out this data. It’s best practice to exclude calls that abandoned in the first five seconds. Then visit the Reporting dashboard, set the appropriate date range, divide the Abandoned Calls by Total Calls and multiply that number by 100. For Talkdesk users in 2015 we saw an Average Abandonment Rate of 12%.

Measuring Abandonment Rate is only half the battle. You need to understand what this means to your business and how to respond, especially if this KPI is outside of your predefined target range.

**High Abandonment Rates could indicate:**
- IVR is too long and/or complicated
- IVR prompts are unclear to customers
- Staffing is inadequate, causing callers to wait an unacceptable amount of time in the queue

**Low Abandonment Rates could indicate:**
- IVR is effective
• Agents answer calls quickly
• Team is potentially overstuffed

If you suspect your IVR is the issue, consider running a focus group and observe users navigating through your IVR. It may sound like overkill, but think of your customer service as a product you are offering. Your product team likely runs usability sessions with customers to better understand how to design the offering — why shouldn’t you do the same with your customer service offering?

🚀 **Average Time in Queue**

Average time in queue is exactly that — the average amount of time callers spend in the waiting queue before they are connected to an agent. When customers experience lengthy wait times, they will likely abandon calls and may never call back. This is a missed opportunity to connect with your customer to ensure they are happy, promote your brand, and potentially upsell.

To measure the Average Time in Queue in Talkdesk, take the Waiting Time and subtract the Average Speed of Answer. This is one KPI in particular where it’s especially useful to benchmark against yourself, as defining an acceptable caller waiting time depends on a number of factors. For example, high wait times are unacceptable for businesses that deliver on-demand services
such as food delivery. However, for callers with less urgent issues, such as claiming a prize, waiting times can increase. For Talkdesk users in 2015 we saw an Average Time in Queue of 3.4 seconds. Once you have determined your Average Time in Queue during a specific timeframe, look at the information below to understand what that means for your call center.

**High Average Time in Queue could indicate:**
- Long handle times
- Suboptimal staffing levels during peak business periods
- High agent absenteeism/poor schedule adherence
- Lack of customer-centric call center software features such as skills-based routing and queue callback

**Low Average Time in Queue could indicate:**
- Predictable call durations
- Correct staffing patterns
- High level of schedule adherence
- Well configured Talkdesk settings

If the Average Time in Queue is too long, there are steps you can take in configuring your call center software to optimize performance with your given staff levels. For example, create specialized queues for unique teams and provide high-value callers with a VIP phone number so they can skip the queue. You can also leverage
## Inbound Call Center KPIs by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average speed to Answer (secs)</th>
<th>Average Abandonment Rate</th>
<th>Average Holding Time (secs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software &amp; Internet</td>
<td>4.50</td>
<td>15%</td>
<td>4.27</td>
</tr>
<tr>
<td>Retail</td>
<td>4.48</td>
<td>12%</td>
<td>3.50</td>
</tr>
<tr>
<td>Business Services</td>
<td>4.95</td>
<td>10%</td>
<td>2.94</td>
</tr>
<tr>
<td>Healthcare, Pharmaceuticals, &amp; Biotech</td>
<td>3.22</td>
<td>13%</td>
<td>2.25</td>
</tr>
<tr>
<td>Financial Services</td>
<td>3.50</td>
<td>16%</td>
<td>3.24</td>
</tr>
<tr>
<td><strong>Overall Average</strong></td>
<td><strong>4.34</strong></td>
<td><strong>12%</strong></td>
<td><strong>3.37</strong></td>
</tr>
</tbody>
</table>
sophisticated features such as queue callback and queue to voice-mail to provide callers with options to still connect with an agent without enduring a long waiting time.

Average Speed to Answer

The Average Speed to Answer is the average time the agent took to answer inbound calls. This includes time while the agent’s phone rings, but does not include the time the caller spent in the IVR or waiting queue. This KPI is associated with efficiency and accessibility and is a contributor to customer satisfaction.

In Talkdesk, this metric is easily accessible within the Agent tab, as well as the Scheduled tab in the “Agents” and “Calls” reports. The Average Speed to Answer for Talkdesk users was 4.3 seconds in 2015.

Once you have determined your Average Speed to Answer, find out what that number means by looking at the information below.

High Average Speed to Answer could indicate:

- Insufficient staff training
- Inaccurate staffing projections
- Excessive After Call Work time
- Poor call forecasting
Low Average Speed to Answer could indicate:

- Sufficient staff training
- Accurate call volume projections
- Appropriate amount of after call work time
- Adequate call forecasting

There are numerous ways having a high Average Speed to Answer can adversely impact your business, some which are not immediately evident. Customer satisfaction suffers, but with that often comes reduced agent satisfaction as stress increases. Call center costs can increase as well, as frustrated callers typically increase handle time and are more likely to demand escalations to management.

To reduce the Average Speed to Answer, utilize after call work scheduling so that agents have a short window of time to complete work associated with the previous call before receiving additional calls. Using Talkdesk, you can also automate many of the common after call work tasks, which increases productivity. You can also train agents on the importance of having a low Average Speed to Answer and provide them with a dashboard that empowers them to make data-driven decisions to keep this KPI within an acceptable range. Finally, it falls on the shoulders of the supervisor to ensure agent scheduling is optimized and call forecasting is as accurate as possible.
**Service Level**

Commonly measured for inbound call centers, Service Level represents the percentage of inbound calls that are answered below the target threshold. As such, Service Level measures how effectively you are able to move callers out of the queue. This call center KPI is only calculated for inbound calls during business hours and the counter starts as soon as the call enters the waiting queue.

Below is the formula that Talkdesk uses to calculate Service Level:

\[
\text{Service Level} = \frac{\text{calls answered within threshold} + \text{calls abandoned within threshold}}{\text{total calls answered} + \text{total calls abandoned}} \times 100
\]

Talkdesk sets a default target threshold of 20 seconds, although users can set custom service level thresholds to better match their business needs. The Service Level calculation is automatically completed for you and Service Level is displayed in the Reporting tab. In Talkdesk, Service Level can be filtered by ring group, phone number and date range.

Given that every business can define what an acceptable threshold is for their specific business, it’s more challenging to benchmark your Service Level against others. Once you define the threshold for your specific business, keep the threshold constant and
continue to work to improve your Service Level until a point of diminishing returns.

Once you obtain your Service Level for a certain timeframe, take a look at the information below to understand what that metric means to your call center.

**Low Service Level could indicate:**
- Calls that take longer than expected
- Less than optimal agent scheduling
- Unplanned call fluctuations
- Long after call work time

**High Service Level could indicate:**
- Low call duration
- Optimal agent scheduling
- Accurate call planning
- Low after call work time

Optimizing workforce management can go a long way in improving less-than-optimal Service Levels. Supervisors should work to optimize occupancy rates by accurately forecasting call volumes and then scheduling agent shifts (and ensuring adherence) accordingly. Be sure to build in some flexibility when scheduling; anticipate that unplanned events will happen and that call volumes will fluctuate.
Other strategies to improve Service Level include enabling agent call-backs and employing on-call agents to handle fluctuations in call volume. Talkdesk allows configuration of callback from queue where callers can opt out of waiting in the call queue and instead receive a callback from the agent once they are available. This can dramatically improve both Service Level as well as customer satisfaction. Supervisors can easily ask on-call agents to field calls from queues that are over-burdened or add existing agents to additional ring groups on the fly to handle increased loads.

### 2016 Talkdesk Call Center KPI Benchmarks

<table>
<thead>
<tr>
<th>KPI</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abandonment Rate</td>
<td>12%</td>
</tr>
<tr>
<td>Average Speed to Answer</td>
<td>4.3 secs</td>
</tr>
<tr>
<td>Average Time in Queue</td>
<td>3.4 secs</td>
</tr>
</tbody>
</table>
Measuring What’s Right for Your Business

While these four KPIs were most commonly measured across the Talkdesk customer base, they may not be the most relevant or impactful KPIs for your organization. First call resolution, cost per call and average handle time are other popular call center KPIs. It is important to spend some time with key stakeholders in your organization constructing the list of KPIs that is most relevant for your organization before ensuring a regular measurement and reporting mechanism is in place. If you are looking for inspiration, visit this blog as a starting point.
Summary

To deliver the best customer service possible, you should intelli-
gently set and consistently measure KPIs that are relevant to your
business. In this report we have covered in detail four common
inbound call center KPIs that should serve as a good starting
point if you have not yet established KPIs for your organization.
Additionally, we have provided industry benchmarks to help you
gauge what “good” performance looks like. However, each orga-
nization is unique, so be sure to take into account these nuances
and never make decisions based on a single KPI in isolation.
Additional Resources

Want to learn more? Here are some additional resources about call center KPIs and benchmarking to get you started.

- An Overview of Call Center Key Performance Indicators
- 12 Call Center KPIs to Track for Success
- 10 Steps to Select Optimal KPIs to Monitor Call Center Performance
- Characteristics of An Optimal Call Center KPI
- An Overview of Call Center Performance Metrics
- 10 Steps to Benchmarking Success in the Call Center Industry