

Managers Letter

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Training: The Call Center's Competitive Advantage

By R. Edward Turner, Ph.D.

Managers of today's high-performance call centers are stressing a new *core competency* to enhance their competitive position in the marketplace. This core organizational competency — training — results in demonstrated contributions to the bottom line. By accepting training as a core competency rather than a peripheral option, today's call center managers, like their counterparts in other industries, are moving toward a train-or-die gestalt. As a result, savvy managers are growing their asset base with lifelong learning and noticing that competitive advantage directly correlates with commitment to improving employee competence. Those companies focused on identifying, empowering and leveraging the most critical asset of any company — employee competence — are realizing enhanced profitability.

Their financial statements communicate loudly and clearly that the health of the bottom line is directly proportional to the quality of the comprehensive training program.

This hasn't always been the case. During the past three decades, call centers often required employees to participate in training without helping them to understand the impact it would have on their performance and career direction. The challenges of tightened budgets, demand for more efficiency, right sizing and mergers led to a frantic search for ways to stay solvent. The managers' first line of fire was frequently the training and development budget because training budgets were often perceived as an enormous black hole. Managers committed to training struggled to justify their programs since it was difficult to demonstrate clear return on investment. Hence, slash to survive.

That was then. Today's managers are rediscovering one critical corporate domino effect: training impacts human

competence, which impacts performance, which impacts productivity and which impacts profitability. Now call center managers and their companies are integrating new strategies in response to the following statistics in North America:

- Call centers are growing at a rate of 24 percent annually
- Call center turnover rate is 42 percent annually
- Call centers now employ more than five million telephone service representatives

Realizing the need to enhance competitiveness, they are vigorously implementing training programs under a set of expanded and powerful headings: performance learning; performance management; learning management systems; learning paradigms and career management.

The results are dramatic. Call centers with a history of marginal profitability are now showing remarkable revenue and are positioned to become competitive leaders in their respective market niches. Their financial statements communicate loudly and clearly that the health of the bottom line is directly proportional to the quality of the comprehensive training program.

Training is appreciated as a valuable step in individual and corporate growth. Associates in these companies now have the chance to enter into a lifelong learning contract for professional and personal enhancement. Whether a call center with six employees or a Fortune-100, 5000-seat operation with multiple sites, managers can take steps to enhance employee competence. Following is a simple but powerful approach that can jump-start the training assessment for call centers (and other) operations.

The Four D's of Training Assessment

1. Discover the gap(s), in your call center. The gap is the area between your present situation and your strategic goal. Define the gap with specific and measurable terms (i.e. dollars, time, or production/service units). Ask the following questions:

- Is my present situation fully optimized in each area of the business?

Please route to :

- CEO
- President
- HR Manager
- Training Department
- Dept. Manager_____
- Department Staff
- Other_____

- What will happen if I continue with my present situation for the next six months, one year, three years?
- Where am I in relation to my competitors?
- Is the gap between my present situation and strategic goal directly due to human incompetence, operational deficiencies or technology lag?

2. Define the gap's impact on profitability.

- What is the gap currently costing me on a daily, monthly, quarterly and annual basis? (State this specifically in dollars and time to market.)

3. Determine what training is available to close the gap.

- Do I have appropriate internal training resources or do I need to outsource?
- Should training be custom designed or can I buy it off the shelf?
- Does the training offer a good return on investment (ROI) and is it capable of closing the gap within the specified time frame?
- Will this training improve the bottom line?
- When will this training demonstrate a positive impact?

4. Decide what type of training offers the best solution for closing the gap and can be implemented appropriately.

- What alternative training methods are available that will get us there more efficiently and effectively? (i.e. instructor-led, video, computer-based training [CBT], or peer coaching).
- When can we implement?

One word about CBT for call centers. There has been a lot of hype about the current trend toward technology-based training. The most current research, however, indicates that the yearly demand for CBT is growing at a significantly higher rate than instructor-led training (43% compared to 17%). There is no doubt that good interactive-multimedia training will find a solid niche in the market over the next five years.

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An increasing number of managers of call centers and other operations are incorporating CBT into their comprehensive-training plans. The advantages of multimedia training are well documented. They:

- reduce corporate training costs by over 50 percent.
- improve learner comprehension by over 30 percent.

- increase learner retention by over 25 percent.
- enhance consistency of training by over 40 percent.

As a result, call centers today:

- cut costs and improve ROI.
- achieve better performance in less time.
- manage change through quicker learning strategies.
- manage the diversity of disparate corporate groups.
- manage the requirements of rapidly changing technology.

Today, all sectors of the global business community are striving to be best-in-class. Each is seeking the Holy Grail that will make them a high-performance organization. Many have realized that this quest for competitive advantage has no resting place — it is a continuous journey.

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