
Hiring the Right People

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Agenda

Important Elements of Hiring the Right People

- The Process - Setting Expectations, Recruiting, Testing & Probation
- The Basics of Good CSR's - The Four A's
- The Priorities - Sales or Service?
- The Bottom Line

The Process

What do you think is the first step in the hiring process

?

Setting Expectations

- These must be clear before you can possibly know what you are looking for or measure a candidates ability to perform the job.
- **Define the Duties:** To find promising employees, you must first determine what you want them to do. Carefully consider all direct and associated responsibilities and incorporate them into a clear and concise written job description.
- **Define What it Takes to Do These Duties:** Fulfilling these duties will require some level of skill and experience, even if it is an entry-level position. Be reasonable about your expectations. Setting the bar too high may limit your available talent pool; setting it too low risks a flood of applications from those unqualified for the job.

Example

Position Summary

Responsible for sales, service and support of all services and products offered by the company.

Key Responsibilities

Possess strong communication & telephone etiquette skills.
Use interpersonal skills and sales techniques to exceed customer expectations for products, services & account management.
Accurately quote charges, complete paperwork and process orders.
Receive & reply to complaints, grievances & trouble reports. Refer or escalate when appropriate.
Accurate & timely completion of billing and payment tasks.
Use of discretion and confidentiality in all interactions.

Qualifications

1-3 years of sales and customer service experience preferred.
Ability to manage multiple tasks satisfactorily.
Ability to read and comprehend instructions, short correspondence and memos.
Ability to effectively communicate to customers, clients and fellow employees.
Ability to calculate figures and amounts such as discounts, interest, percentages.
Ability to utilize computers and various office machines.
See additional qualification information below.

Position Values

Sales Skills
Accuracy
Efficient use of resources
Satisfied customers
Professionalism
Innovation
Collaboration
Problem Solving



The Process

- Recruiting
 - Internal
 - External - newspaper, association websites, job service, radio, local access channels
 - Screening
- Interviewing & Testing
 - Skills/Knowledge
 - Behavior/Performance
- Probation
 - 6 to 10 weeks
 - Formal performance evaluation and possible re-testing at end of probationary period - do not continue if unsatisfactory.

More on Testing

Outside Resources Such As

<http://www.fadvassessments.com> or <http://www.gneil.com>

Customize Your Own Telecom Customer Service IQ Test -
written or online test set up in a simple format by your programmers



Question 1:

1.) What's a Local Exchange Carrier?

- a. A cable company
- b. A long distance company
- c. A cellular company
- d. A telephone company

Submit

What's Your Telecom IQ?

What's a Local Exchange Carrier?

- a. A Cable Company
- b. A Long Distance Company
- c. A Cellular Company
- d. A Telephone Company

What's Your Telecom IQ?

LATA is an acronym for what?

- a. Local Area Transport Assignment
- b. Long Distance Automatic Transport Area
- c. Line-Haul Assigned Transport Area
- d. Local Access Transport Area

What's Your Telecom IQ?

The current FCC chairman is?

- a. Kevin Federline
- b. Kevin Costner
- c. Kevin Martin
- d. Kevin Garnett

What's Your Telecom IQ?

A CPNI question: If a customer accidentally receives another customer's bill Stuffed in his or her billing envelope, does law enforcement need to be Notified?

- a. Yes, a breach has occurred and law enforcement must be notified.

- b. No, the person in question did not intentionally receive the the call detail records and therefore no breach occurred.

What's Your Telecom IQ?

True or False, subscription VoIP providers pay access charges?

- a. True
- b. False

What's Your Telecom IQ?

Which company has the most subscription VoIP providers?

- a. Vonage
- b. AT&T
- c. Comcast
- d. Verizon

What's Your Telecom IQ?

What is the smallest unit of measure of data?

- a. Kilobyte
- b. Bit
- c. Digital Unit
- d. Byte

What's Your Telecom IQ?

How many bits make up one byte?

- a. 6
- b. 10
- c. 4
- d. 8

What's Your Telecom IQ?

With Fiber to the Home service, an Optical Network Terminal (ONT):

- a. Turns an optical signal into an electrical signal
- b. Requires electrical power to operate
- c. Replaces the Network Interface Device (NID)
- d. All of the above

Back to Basics - The Four A's

- Appearance.
- Availability.
- Attitude.
- Ability.

Appearance

- Building Exterior.
- Lobby.
- **Employees.**
- Organization.

Appearance



Availability

- Staffing levels.
- Other work occurring.
- Wait times.

Attitude

- Facial expressions.
- Body language.



"Ability is what you're capable of doing.
Motivation determines what you do.
Attitude determines how well you do it." Lou Holz

Ability

- Confident, not confused.
- One-stop problem solving.
- Answering questions *clearly*.
- Knows the system and the process and performs it effortlessly.

Ability to Handle Stress

Top Customer Service Stressors

- Excitable / frustrated customers.
- Lengthy service orders.
- Lots of products / services.
- Stress.
- Heavy work volume.
- Not enough team spirit.
- Rapid change.
- Ongoing training.

Customer Complaints

10. General tone (bad attitude). (Attitude)
9. Authentication process. (Regulation/Ability)
8. Transferring / placing the customer on hold. (Ability)
7. Wait times. (Availability)
6. Greeting / acknowledgement. (Availability, Ability)
5. “It wasn’t me” syndrome. (Attitude)
4. Working on something else. (Availability)
3. Treating the customer as the “enemy.” (Attitude)
2. Not knowing your product. (Ability)
1. Not saying “Thank You!” (Attitude)

Traits of an Exceptional Hire

- Understands and follows protocols
- Uses Appropriate Tone / Inflection
- Always Exhibits Politeness / Friendliness
- Listens
- Professionalism
- “I am your personal advocate.”

Protocols

- **Greeting**
 - Thank you for calling ABC. This is Mary. How may I help you?
- **On-hold**
 - May I please place you on hold for a few moments while I look into this?
- **Transferring**
 - May I transfer you to one of my colleagues who is standing by to assist you with this?
- **Sales**
 - While I have you on the phone, may I tell you about...?
- **Closing**
 - Thanks again for calling ABC. It was my pleasure to serve you today.

Tone / Inflection

- Pleasant sound.
- Calm demeanor.
- Understanding.
- Helpful.
- Energetic.
- Enthusiastic.
- Happy!

Politeness / Friendliness

- Please and thank you.
- Ask permission.
- Considerate.
- Engaging.
- Lightly personal.
- Personable.

Listening

- Wait for the customer to finish speaking.
- Pick up on the customers mood or frame of mind.
- Observe background noises.
- Understand the *total* needs of the customer.

Professional

- Polished appearance.
- Knows the product.
- Exceeds expectations.
- Treats *all people* with respect.
- Consistent.
- Exhibits a positive attitude.
- Looks for solutions.
- Not emotionally charged.
- Efficient – least amount of time for greatest benefit.

Other Important Qualities

- Personal life fulfillment.
- Understands: “The customer doesn’t want to be talking to you.”
- Understands: “Any frustration is with a situation, not you.”
- Understands and embraces the interrelationship of sales and customer service.

Service or Sales?

Can one person be a good
customer service rep and a good
salesperson?

The Bottom Line

- Define what the position requires in terms of technical knowledge
- Define what the position requires in terms of personality and work traits
- Test and measure both technical ability and knowledge with attitude and behavior. Balance the technical and personal qualifications
- You can teach technical skills, but good luck changing someone's personality and habits

Q & A

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Managing *By The Numbers*

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Numbers Help Answer Questions

- How many CSRs do we need?
- How many calls should each CSR handle?
- What should we pay our CSRs?
- How much work space do we need?
- Where should we have retail locations?
- When should they be open?
- What is our competition doing?
- What are other telcos doing?

Objectives

- Maximize
 - Sales.
 - Market-share.
 - Morale.
 - Customer satisfaction.

- Minimize
 - Expenses.
 - Mistakes.
 - Turn-over.
 - Complaints.

Common Scenario

Your case:

“Our CSRs are stressed out, overworked, underpaid, untrained, have no time for breaks, are constantly abused by the other departments, and working in cramped quarters with no privacy.”

The response:

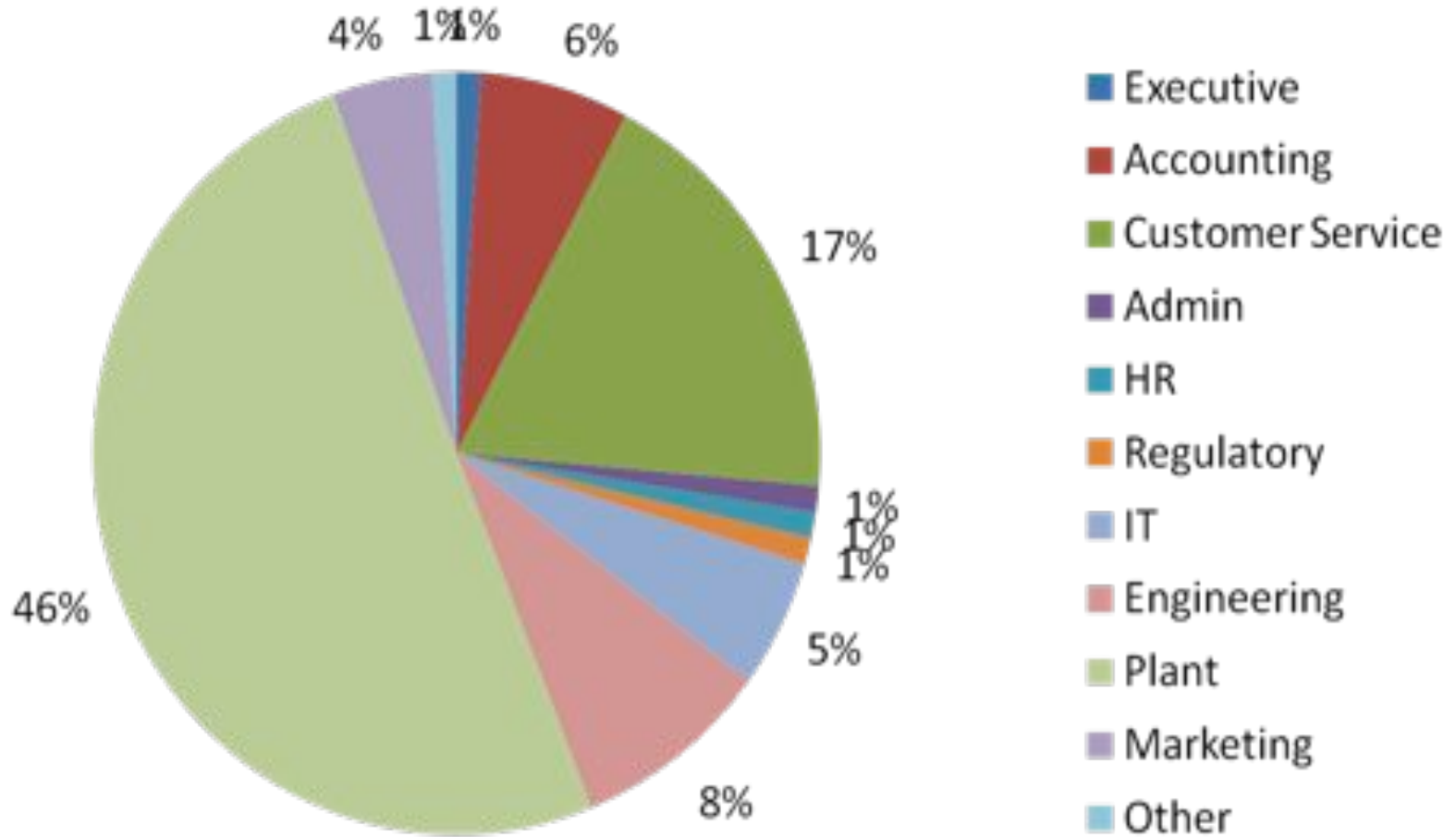
“We have no staff turn-over, little competition, very few customer complaints and high overall customer satisfaction. The problem?”

Metrics We'll Review

- Headcounts.
- Call volume.
- Time Studies.
- Escalations.
- Error rates.
- Work shifts.
- Compensation.
- Training.
- Supervisor ratios.
- Sales conversions.
- Sales goals.

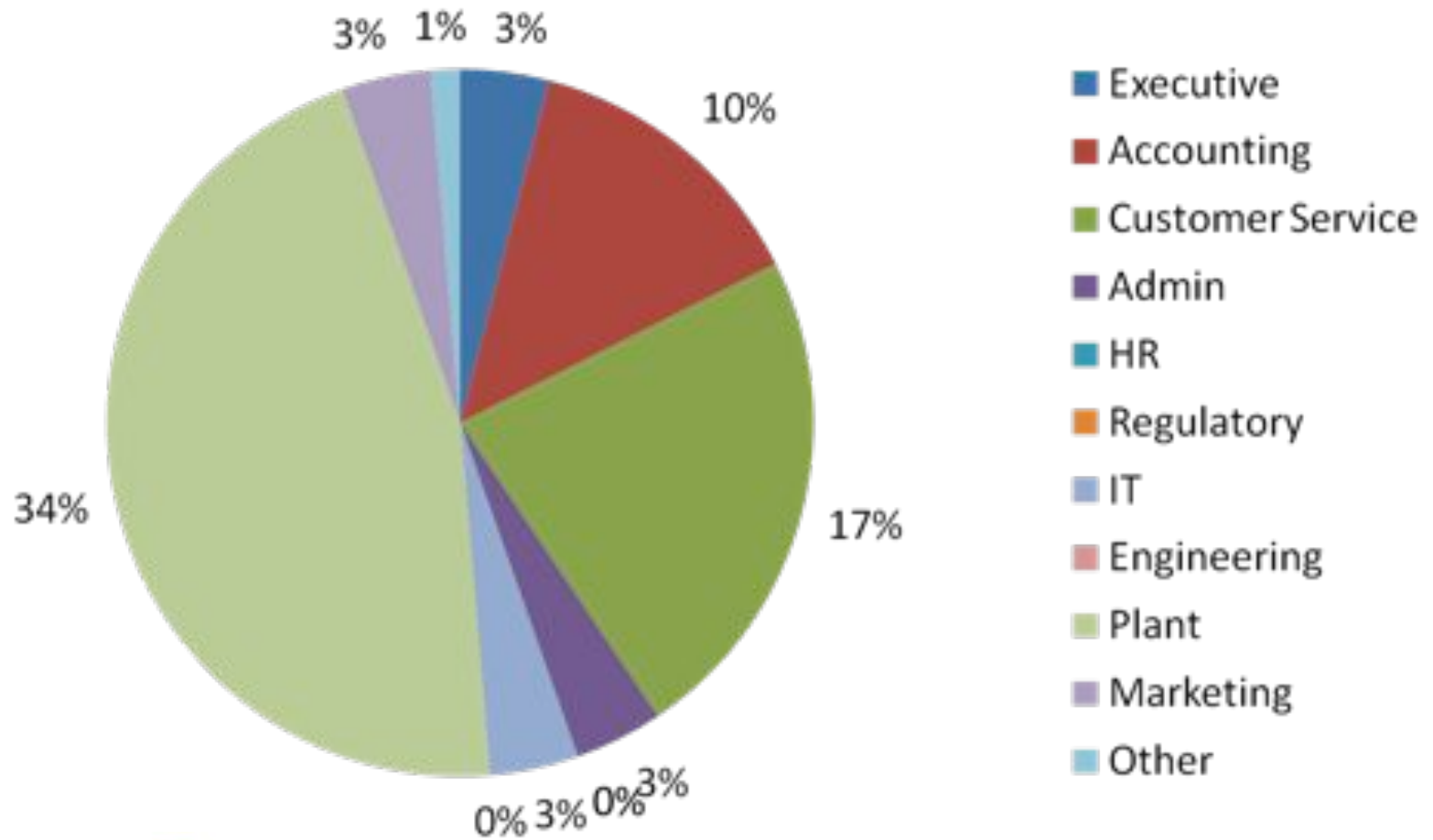
Headcounts

(For telcos with 15,000 + Lines)



Headcounts

(For telcos with 5,000 Lines)



Headcount Benchmarks

- Percentage of the workforce:
 - 15-17% of employees are CSRs.
- Revenue per CSR:
 - \$1 million revenue per year per CSR (*not sales, but total company revenues*).
- CSRs per Access Lines:
 - 1 CSR per 1,000 access lines.

For telcos with video and high-speed Internet.

For telcos with 5,000+ lines.

Includes billing, cashiers, reception.

Headcount Variables

- Access and USF revenues.
 - Currently about 50% of the total. As they decline, the CSR ratio may change.
- Entering a new line-of-business.
 - Initial sales activity might require additional support.
- Converting networks.
 - Switching to FTTH, for example, might require additional support.
- Competition.
 - More active competition in the marketplace will affect headcounts.
- Automation.
 - Billing and on-line provisioning could reduce the need for FTEs.
- Stabilization.
 - As telcos reach maximum market-share, CSRs may shift to tech support and win-back activities.

Headcounts

- The case for additional FTEs is based on:
 - Missed revenue and sales opportunities.
 - Loss of customers to the competition.
 - Abandoned calls.
 - Decreases in customer satisfaction.
 - Increases in customer complaints.

- And is NOT based on:
 - Being stressed.
 - Being busy.
 - Low morale.
 - Perceived long customer “wait times.”
 - Additional product lines.

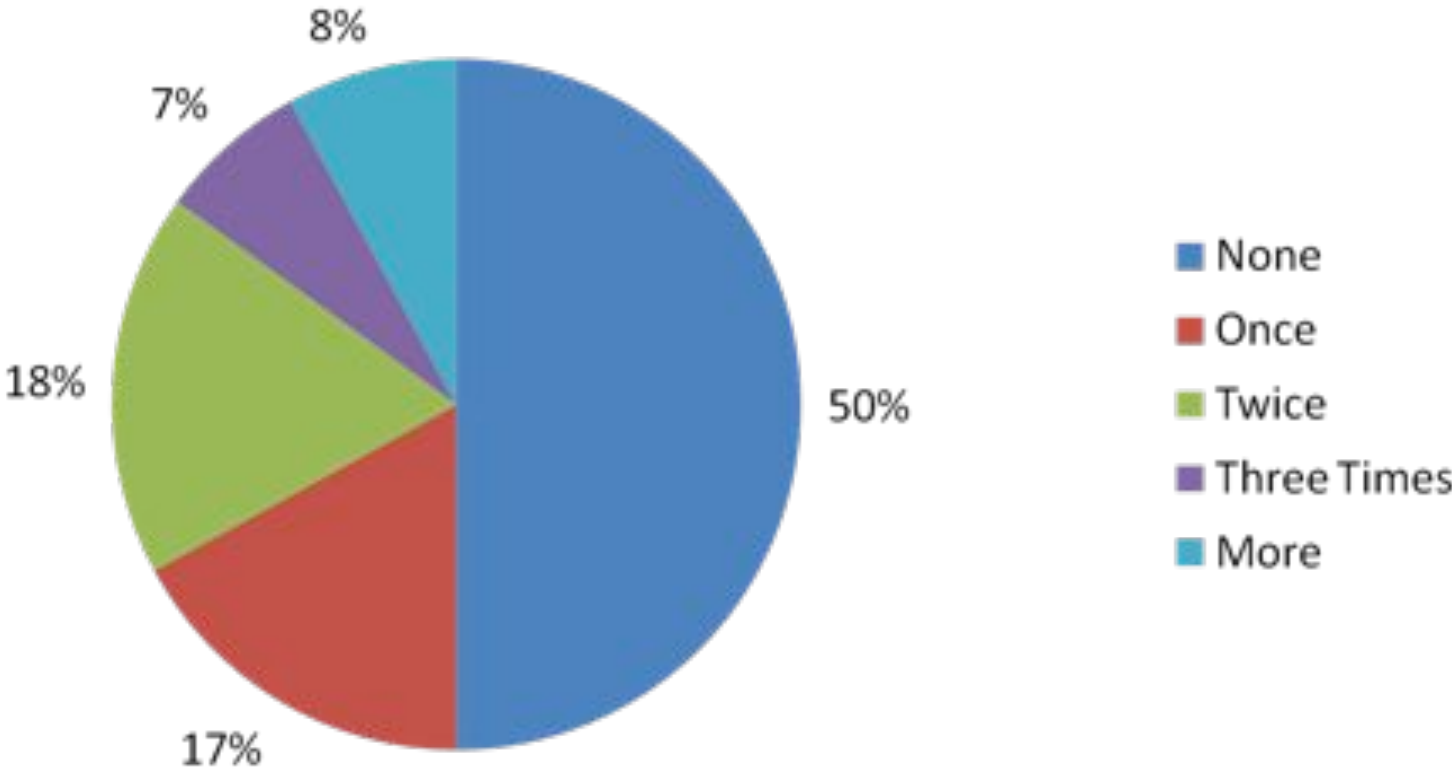
Headcounts

- Solutions may also come in the form of:
 - Replacing ineffective staff.
 - Training and cross-training.
 - Shifted work schedules.
 - Better divisions of labor.
 - On-line billing and provisioning.
 - Fewer technical problems.

*Example: Eliminate lunch breaks
from Noon – 1:00 p.m.*

Call Volume

Contact with Telco



Call Volume

4.15 calls per customer per year (not access lines).

Lines	Customers (80% of lines)	Customer Calls (x 4.15)	Total Calls Per Month
5,000	4,000	16,600	1,383
10,000	8,000	33,200	2,767
15,000	12,000	49,800	4,150

Call Volume

Lines	Calls Per Month	Days Per Month	Calls Per Day	CSRs (75% on Phones)	Calls Per CSR Per Day
5,000	1,383	22	69	4	17.25
10,000	2,767	22	126	8	15.75
15,000	4,150	22	187	12	15.58

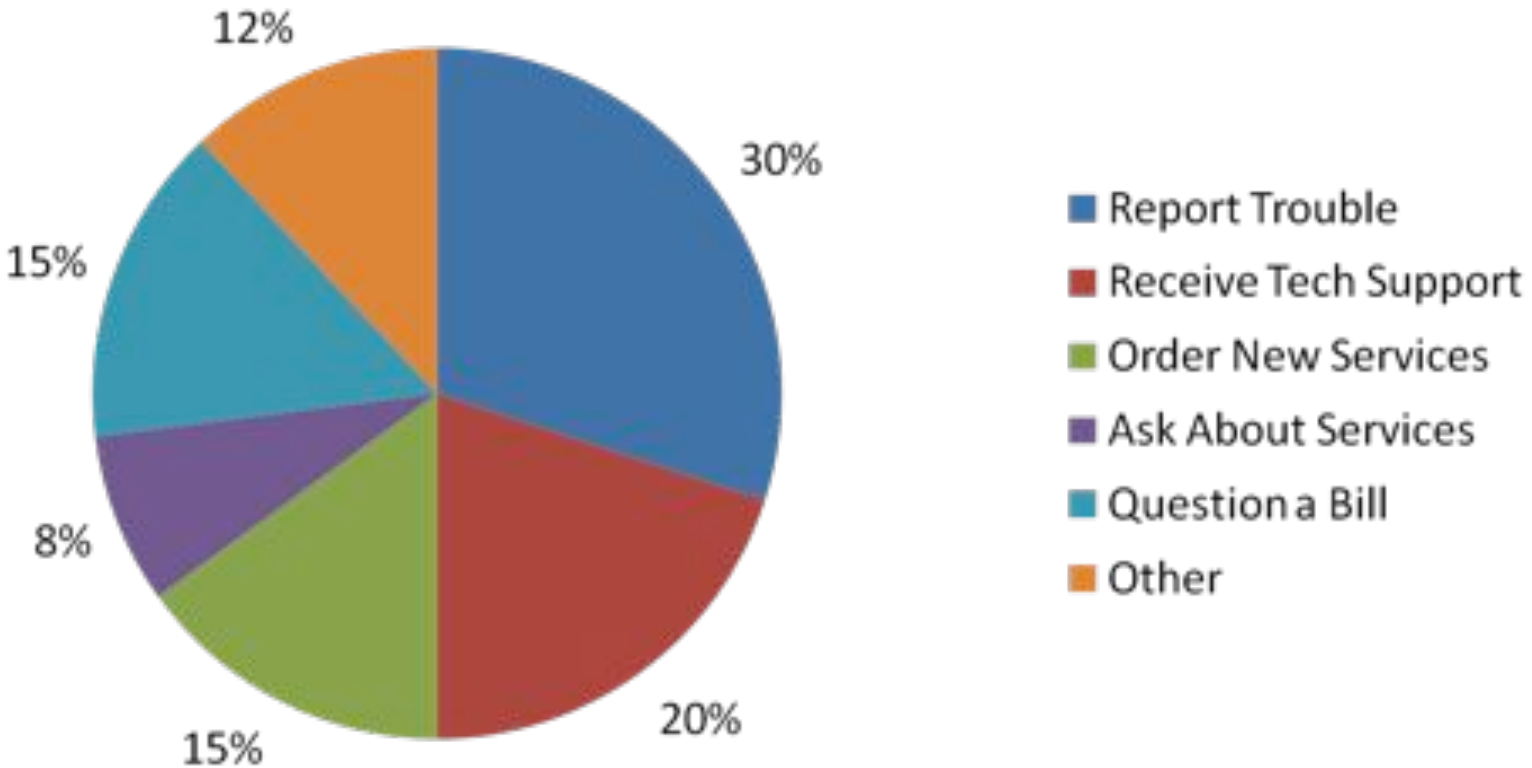
Call Volume Variables

*Many telcos report 25-30 calls per CSR per day,
but you should question...*

- Why are customers calling?
- Are these calls that *should* be handled by a *CSR*?
- Is call volume driven by other problems in the organization? How much could be eliminated?
- What percent of calls are being transferred?
- How long are the calls?

Call Volume

Reasons for Contacting the Telco



Time Studies

- Average Call Duration
 - Existing customer ordering new services: 6 minutes
 - New customer ordering triple play service: 25 minutes
 - Inquiries about services: 4 minutes
 - Receiving tech support: 15 minutes
 - Reporting trouble: 3 minutes
 - Questioning a bill: 3 minutes

Average: *Should Be 7.7* minutes per Call

*And yet, the average call time is about
2 minutes for rural independent telcos.*

Escalations

- Escalation is transferring a call to:
 - Tech support.
 - Repair.
 - Another employee.
 - (And a supervisor, when a CSR is unable to resolve an issue.)
- As a result of Headcounts, Call Volume and Time Studies, all based on “ideal” conditions, we estimate that about one-half of calls are transfers, not related to customer service or reflect other problems at the telco, such as a temporary outage.
- Target rate: **15% or less.**
- Red Flag: any customer transferred more than one time.

Error Rates

- Approximately 25% of service orders contain an error that requires follow-up action.
- Errors usually involve at least two employees to resolve.
- Average cost of \$50 per service order with an error(s).
- Average CSR completes 25 service orders per week.
- Average CSR costs the telco \$3,750 per year.

Service Orders	Error Costs Per Month	Error Cost Per Year
25 per week	\$312.50	\$3,750
125 per week	\$1,562.50	\$18,750
250 per week	\$3,125	\$37,500
500 per week	\$6,250	\$75,000

Work Shifts

Competing Trends:

- Extended hours to meet expectations of weekends and before and after work.
 - Monday through Friday, 8:00 a.m. to 5:00 p.m. satisfies 80% of customer expectations.
 - 20% expect the company to be open until 6:00 and Saturday.
- Reduction in office hours for energy conservation and as more sales and service occur on-line.
 - Examples: OmniTel closing Fridays; Montana telco with 4-day work weeks.

Work Shifts

Real Message:

Not every employee has to work the same hours.

- Shift schedules.
- Eliminate Noon-1:00 p.m. lunch breaks.
- Offer four 10-hour days.

Compensation

Location	
West	\$34,528
North Central	\$30,638
South Central	\$27,040
Northeast	\$32,822
Southeast	\$32,563
Revenues	
< \$2.5 Million	\$31,589
\$2.5 – 4.9 Million	\$30,729
\$5 – 9.9 Million	\$32,516
\$10 – 14.9 Million	\$32,001
\$15 – 24 Million	\$33,711
Access Lines	
< 2,500	\$30,000
2,500 – 4,999	\$29,300
5,000 – 9,999	\$32,822
10,000 – 14,999	\$33,912
15,000 – 24,999	\$33,695

CSR

Median Salary: \$31,304

Source: OPASTCO 2008 Salary Study



Compensation

Location	
West	\$52,416
North Central	\$50,318
South Central	\$44,013
Northeast	\$45,507
Southeast	\$45,000
Revenues	
< \$2.5 Million	\$--
\$2.5 – 4.9 Million	\$39,374
\$5 – 9.9 Million	\$44,800
\$10 – 14.9 Million	\$50,604
\$15 – 24 Million	\$53,312
Access Lines	
< 2,500	\$35,204
2,500 – 4,999	\$39,527
5,000 – 9,999	\$44,720
10,000 – 14,999	\$50,440
15,000 – 24,999	\$52,192

**Customer
Service
Supervisor**
Median Salary: \$48,597

Source: OPASTCO 2008 Salary Study



Compensation

Location	
West	\$75,269
North Central	\$62,151
South Central	\$55,792
Northeast	\$56,200
Southeast	\$70,450
Revenues	
< \$2.5 Million	--
\$2.5 – 4.9 Million	\$60,000
\$5 – 9.9 Million	\$48,225
\$10 – 14.9 Million	\$64,379
\$15 – 24 Million	\$75,477
Access Lines	
< 2,500	\$54,856
2,500 – 4,999	\$63,493
5,000 – 9,999	\$57,316
10,000 – 14,999	\$75,053
15,000 – 24,999	\$73,902

Customer Service Manager

Median Salary: \$65,925

Source: OPASTCO



Compensation Observations

- Very little range in CSR pay.
- Broader range in supervisors and managers, suggesting greater room for negotiation.
- Larger companies pay more, suggesting bigger, more competitive markets.
- The West has the highest pay, but that includes California and Washington state – both are high-cost-of-living.

Compensation

Before you demand a raise, just remember compensation is also affected by:

- Benefits (43% of salary on average).
- Local economy.
- Turn-over.
- Competition for employees.
- Management and boards.

There's nothing inherently wrong in paying below the median level. Competitive businesses pay as little as possible for the best possible performance.

Supervisory Ratios

Simple common formula across all work-units:

7:1

Training

- Average cost of \$1,500 per year per employee.
 - 75% is spent on internal training.
 - 25% is spent on external training.
- Approximately 2.75% of total payroll.
- Average employee receives 45 hours of training per year.
- Average CSR needs more!
 - Task training: service orders, trouble tickets, billing, sales, etc.
 - Product training: video, broadband, STBs, handsets, modems, routers, etc.
 - Tech support: customer calls, troubleshooting, de-escalation, etc. (+20 hours.)

*A CSR of a diversified telco requires
65 hours of training per year.*

Training

- 20 hours of tech support training could:
 - Eliminate 10% - 20% of call escalations.
 - Reduce outsourced tech support costs.
 - Increase customer satisfaction.
 - Reduce abandoned calls.
 - Reduce call times.

We have two levels of tech support. I'll get us started by troubleshooting with you to attempt to resolve your problem. However, if your problem requires greater expertise, our advanced tech support staff is standing by to assist you.

Sales Conversions

- 15% of calls to the telco are to order new services.
- An additional 8% are inquiries, but do not result in a sale.
- A total of 23% of calls are sales-related.

The Sales Conversion Rate is: 65%!

(Do your CSRs know this?)

Sales Conversions

- The objective for rural telcos is to *reduce* the conversion rate.
 - 77% of calls are *not* sales-related.
 - How many sales attempts are made on these calls?
- Sales should increase from 15% of all calls to a minimum of 25% of all calls, requiring:
 - 70% of calls to be considered “sales-eligible”
 - Purchase new services
 - Ask about new services
 - Question a bill
 - Receive tech support
 - Other
 - Closing 35% of attempts.

We reduce the conversion rate from 65% to 35% by expanding what we considered to be “sales calls.”

Sales Goals

(based on a conversion rate of 35%)

- Average 17 calls per day:
 - 6 new sales per day.
 - 30 new sales per week.
- Average 25 calls per day:
 - 8.75 new sales per day.
 - 43.75 new sales per week
- Average 30 calls per day:
 - 10.5 new sales per day.
 - 52.5 new sales per week.

Does not factor current penetration rates, customer demand, marketing, promotions, and availability of services, such as video and cellular. Does not consider time to complete service orders. But even the most traditional telco has a sufficient “arsenal” of products to achieve these sales metrics. These metrics can also be used to help measure and compare individual CSR performance.

Q & A