

# CONTACT PROFESSIONAL™

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**Leveraging the Power  
of E-Learning**

**Economic Value of  
E-Learning Solutions:  
A Review of Ulysses Learning's  
CallMentor**

# Economic Value of E-Learning Solutions

## CallMentor® from Ulysses Learning

By ANTHONY SARNO

*Editor's Note:* In today's challenging marketplace, business leaders are looking for solutions that offer measurable results. In CP's ROI Review, author Anthony Sarno uses ProvelT's proprietary online ROI calculator to review the potential financial impact of implementing an identified product for a hypothetical call center.

In this edition we review CallMentor®, a call center e-learning solution from Ulysses Learning. CallMentor is designed to improve a center's performance by increasing the bottom line and enhancing customer value. The outcome is a value justification and break-even analysis for implementing this type of e-learning solution.

### Overview

With its exclusive focus to improve business performance through the practical application of learning technology, Ulysses Learning has developed a broad range of contact center learning solutions designed to provide clear, tangible and measurable results.

The organization's CallMentor suite of performance improvement programs is the only learning system expressly designed to prepare customer contact people and their coaches to exercise judgment—sound decision making and business interaction skills in customer calls. It is designed to ensure that people across the enterprise can work calmly and confidently with all kinds of customers. The CallMentor suite includes:

- ServiceMentor® for leading customers to more satisfying outcomes
- SalesMentor™ for building profitable connections with customers
- CoachingMentor® for coaching customer contact personnel for top performance

The CallMentor suite of products is being examined as a potential performance improvement solution to enhance top- and bottom-line results in the hypothetical contact center of AtoZ Bank. The bank's business issues, statistics and challenges follow, as do the projected financial results of implementing the CallMentor solution.

### The Problem

AtoZ Bank's problem is typical of many financial institutions their size. They have to make process improvements in their overall performance while continuing to meet (or exceed) customer expectations and manage the change related to recent mergers and resultant system conversion activities. This combination strains managers, agents and customers equally.

To combat the problem, the bank has introduced a variety of interventions that have not produced the desired results.

- They have conducted a series of training initiatives around processes, system training and navigation, as well as product knowledge. However, these programs have failed to produce substantive improvements in quality, productivity, customer satisfaction and sales.
- A "new hire" instructor-led course was developed that focuses on power words, motivation, and stress reduction. While this module is effective at communicating AtoZ Bank's philosophy, it does not define desired agent behaviors in a measurable and objective way.
- Managers are responsible for ongoing training and team development. However, due to the heavy workload, there is infrequency and inconsistency in coaching agent performance, and

managers on average are only providing one coaching session per agent per month and are uncomfortable either giving performance feedback or coaching to the sales process. The managers, many of whom have moved through the ranks, have limited management experience or training. Without a defined, effective coaching process, they fumble and lack the confidence to calibrate and improve agent performance.

- Quality monitoring has been implemented, but has been subjective.

In general, the customer service team is challenged with balancing high levels of quality with high levels of productivity. The sales teams are challenged with balancing high levels of customer satisfaction with high levels of sales. AtoZ Bank wants to accomplish both goals, and would like to have information that could help them direct training resources to high impact areas of the call center operation.

### The Solution

AtoZ Bank has decided to examine the Ulysses Learning CallMentor suite of training programs. It is recognized that its dynamic, simulation-based e-learning offers the potential of cost-effective, rapid training deployment with realistic scenarios for new hires and veterans, challenging simulations, just-in-time coaching and performance feedback. Given the time constraints of managers responsible for training and development, it is thought that this type of e-learning program can best be used to supplement their efforts. Further, because the CallMentor suite of programs addresses a range of practical skill development needs from service, sales and coaching, it is thought that a comprehensive approach that links these critical skills together makes sound business sense.

ServiceMentor is designed to develop decision-making and business interaction skills to balance quality and productivity goals. It prepares customer contact people or managers to:

- Take charge of the call, even when customers are angry or upset;
- Quickly and clearly identify what customers really want;
- Offer solutions that customers will readily accept and truly appreciate; and

- End calls leaving customers feeling good—about the rep and the organization.

SalesMentor is designed to develop decision-making and business interaction skills to effectively and efficiently balance sales goals and customer satisfaction. It prepares sales agents and customer contact people to:

- Quickly identify customer “interest clues” and satisfy more customer needs with more relevant solutions by applying advanced questioning and business interaction skills;
- Sell more and maintain profitable customer relationships through the application of a customer-focused, three-step selling model;
- Develop a more natural selling style, easily moving forward and backward in the sales process based on customer readiness and resistance clues;
- Develop a higher level of communication skills to more effectively influence the outcome of the sales conversations;
- Identify, anticipate, and resolve the three types of resistance throughout conversations to make sales that are better aligned with customer needs; and
- Ensure brand consistency and build customer loyalty by using appropriate company brand messages and a sales process that supports the brand image.

CoachingMentor prepares managers, supervisors, team leaders, QA specialists and coaches to:

- Provide timely coaching right after the call;
- Focus on one pivotal behavior to ensure the greatest impact;
- Provide constructive feedback; and
- Provide effective coaching in less than a minute.

The CallMentor suite of programs is intended to provide measurable enhancements in agent and coach performance, which improve productivity and sales and increase customer satisfaction.

### Key Financial Benefits

To determine the potential business impact to the hypothetical company, the value of CallMentor is modeled using ProveIT’s

# HYPOTHETICAL CONTACT CENTER

AtoZ Bank is a U.S.-based financial institution with more than \$30 billion in assets. The contact center supports the bank’s branch network and its online banking services. The 520-seat center staffs customer service, inbound and outbound sales, and online service representatives to support the following business lines: retail/consumer, Internet, commercial, small business, personal lending, card services, mortgage and investments. A total of 35 managers, supervisors and quality control specialists support the operation.

In the past five years, AtoZ has acquired several large regional and community banks. They have implemented product and system conversions for three years and have two more planned conversion rollouts within 18 months.

Generally, bank customers have expressed dissatisfaction with the changes. Calls are taking longer to handle, more calls are escalated to the management team, and representatives’ quality monitoring scores are dropping. The tension felt in the contact center is mounting, and turnover is on the rise.

Training has typically been a regular and ongoing event, with new hire training provided by corporate training and ongoing development and monitoring provided by managers. Lately, training has not been as consistent as desired, as manager attention has been diverted to taking escalated calls and addressing customer needs directly.

## AtoZ Bank Business Issues

### Customer Service:

- Escalated calls high—28%
- Callbacks high—40%; only 60% of calls are resolved on the first call
- Average handle time of more than 2.5 minutes
- Average quality monitoring scores of 79%
- Customer satisfaction is 80%
- Turnover rate high—30%
- Calls monitored—6 per agent/month
- Coaching sessions—1 per agent/month
- Coaches spend time in escalated calls and are uncomfortable with feedback process

### Sales:

- Inbound conversion ratio of 7% is below target
- Outbound conversion ratio of 1% is below target
- Monthly product sales per agent is below target
- Average quality monitoring scores for inbound, 78%; for outbound, 76%
- Turnover rate high—inbound 25%, outbound 30%
- Inbound and outbound: calls monitored—5 per agent/month; coaching sessions 1 per agent/month
- Coaches have no time to coach and do not fully understand how to coach to sales skills

# Economic Value of E-Learning Solutions

proprietary methodology. The activity costs and revenue streams most likely to be impacted are examined. These assumptions, plus AtoZ Bank’s profile information, are used by the online ROI Calculator to generate a cash flow statement that quantifies the value of deploying this learning solution.

## Reduced Operating Expenses

Operating expense reductions are an important part of the business case, representing a bottom-line decrease in costs. In addition to improving overall profitability, such reductions may allow AtoZ Bank to achieve their growth plans with existing resources, or reduced headcount, or it may allow them to maximize investments in other targeted areas. Comparing the relatively low impact of existing training to the minimum estimated improvements targeted with CallMentor, it is presumed that the CallMentor programs will have a direct and measurable impact on operating expenses for AtoZ Bank’s contact center.

A few examples are noted below.\*

While the above chart outlines many direct expense reductions, it should be noted that CallMentor could indirectly impact other areas of the operation as well. Turnover is one example. When examined in conjunction with organizational variables such as incentives, career paths, flex-time and/or others, if turnover is reduced by 10%, an additional \$133,000 in expenses could be removed from the operation annually. Other indirect costs may be realized as well, but are not factored into this analysis.

## Additional Revenues

AtoZ Bank can also increase revenues by deploying CallMentor, specifically by increasing sales conversion ratios and monthly product sales per agent. This is an important part of value justification since it indicates improvement of revenue generation activities, or top-line productivity growth with existing personnel and infrastructure. Examples are noted on the opposite page.\*

## Ulysses Learning Costs

AtoZ Bank’s investment in CallMentor is \$234,500. This investment covers validated content, pre/post assessments, and full implementation.

Specifically:

- Unlimited, 3-year use of ServiceMentor for 370 service representatives;
- Unlimited, 3-year use of SalesMentor for 150 inbound/outbound sales representatives ;
- Unlimited, 3-year use of CoachingMentor for 35 coaches;
- Training of replacement representatives due to any turnover during the 3-year period;
- Complete IT installation;
- ProNet™ consulting to further align the learning system with performance management and organizational processes; and
- Software maintenance services for the 3-year period.

*Note: Costs of implementation and applications may vary by client based*

Functional Area and Targeted Measure	Current Training’s Impact On Targeted Measure	Current Measure	Minimum Estimated Improvement In Targeted Measure With CallMentor	Reasons Why Targeted Measure Will Improve With CallMentor	Estimated Cost Reduction
Customer Service: Callbacks	Low	40%	5% (improvement = a reduction in callbacks)	Agents develop skills to ask the right questions and identify solutions that will resolve the customer’s concern so they increase first call resolution	\$199, 800 annually
Customer Service: Escalated calls	Low	28%	5% (improvement = a reduction in escalated calls)	Because first call resolution is increased, and competency in controlling the call is improved, escalated calls are reduced	\$139,860 annually
Managers: Time Spent On Escalated Calls	Low	20%	10% (improvement in first time resolution = reduction in escalated calls)	Because agents are more efficient, keeping the call on track and minimizing escalations, the time managers spend taking escalated calls decreases	\$42,000 annually
Managers: Coaching Sessions	Low	20%	10%	Coaches develop the skills for giving agents effective feedback that takes 1 minute or less of their time	\$42,000 annually

Targeted Revenue Stream	Current Training Impact on Measure	Current Measure	Estimated Increase In Productivity Level With CallMentor	Reasons Why Targeted Measure Will Improve With CallMentor	Estimated Revenue Increase
Inbound Product Sales	Low	98/month	5%	As conversion ratios increase and more opportunities are uncovered, sales per call will increase	\$412,500 annually
Outbound Product Sales	Low	5.2/month	5%	As conversion ratios increase and more opportunities are uncovered, sales per call will increase	\$206,250 annually
Increase Customer Retention	Low	80%	1%	Customer loyalty and retention is further enhanced—the more products customers have (and use), the stronger the bond. Thus, the brand is strengthened	\$1,002,660 over 3 years

\* For a full examination of all operating cost reductions and revenue enhancements, a comprehensive analysis using ProveIT's online ROI calculator is required.

upon existing system architecture and organizational processes.

### Ulysses Financial Benefits

AtoZ Bank could realize the following net financial benefits of using CallMentor over a three-year period (based upon the assumptions, business profile, and business issues provided in this review):

- Reduction in operating expenses of \$1,669,980
- Increased revenues of \$2,858,910

### Financial Summary Conclusion

Just in terms of expense savings, AtoZ Bank's investment of \$234,500 will result in a positive cash flow of \$1,435,480 with a NPV (Net Present Value) of

\$1,102,503 at a discount rate of 12%. If the bank just examined its expense savings it would pay for the CallMentor investment in just under 1 year. Add to that gains from the revenue side of \$2,858,910 for a total positive cash flow of \$4,294,390 with an NPV (Net Present Value) of \$3,360,477 at a discount rate of 12%.

These results sound impressive. However, if the assumptions seem too aggressive, AtoZ Bank could collect more data to make more accurate assumptions. It should be noted that for the purposes of this analysis, relatively conservative estimates for increases in sales and productivity were used to determine the financial impact of CallMentor.

Furthermore, the more resources spent to collect accurate information, the less risk to which the project will be exposed. Of course, there is a point of diminishing returns. Depending upon the total cost of the solution relative to its benefits, the correct decision may be to execute a pilot program and measure the results. This option would allow AtoZ Bank to base future deployments on actual data with historic performance. This highlights the importance of having a measurable business case.

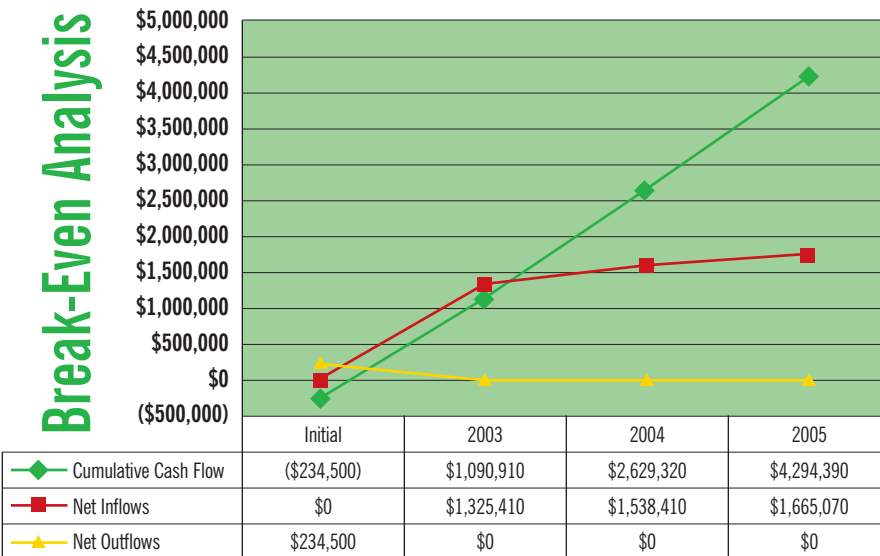
### The ROI Calculator

It is quite likely that contact centers will reduce expenses and increase revenue by implementing the CallMentor suite of e-learning training programs. The actual amount depends upon assumptions unique to each center's environment. By using ProveIT's ROI Calculator, estimates of cost reductions and increases in revenue can be examined with ease. This online tool provides a method of assessing the potential value of complex products and can be an important first step in the evaluation of many different types of call center products and solutions.

To access the ROI Calculator, visit [www.contactprofessional.com](http://www.contactprofessional.com) and click on the ROI Calculator link to create your own value justification model for this e-learning program.

To talk with Ulysses clients who have experienced results with CallMentor, contact Ulysses Learning at 1.800.662.4066 or [info@ulysseslearning.com](mailto:info@ulysseslearning.com).

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**About Ulysses Learning...** Ulysses Learning is a global learning and performance improvement company that delivers measurable and sustainable results in the areas of service, sales and coaching. Ulysses helps clients achieve results through leading-edge e-Learning simulations and related services that help people learn complex skills in a safe, simulated environment versus practicing on real customers.

The company's learning systems are widely respected for building Judgment@Work™ skills – decision making and advanced interaction skills – in contact centers and at all points of customer interaction throughout financial services, insurance and telecommunications enterprises.

**CallMentor®** is the only learning system expressly designed to prepare customer contact people and their coaches to exercise sound judgment on the job. It is designed to ensure that people across the enterprise can work calmly and confidently with all kinds of customers. The **CallMentor** system includes **ServiceMentor®** for leading customers to more satisfying outcomes; **SalesMentor™** for building profitable connections with customers; and **CoachingMentor®** for coaching customer contact personnel for top performance.

