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Introduction

It’s time to fix your back office. Like most companies, you’ve probably been managing back-office functions the same way for many years. You may have tried a business process management (BPM) initiative to automate some of the tasks, but the basic functions, activities and management processes have remained the same. The problem is that the volume of work keeps increasing, and it’s too expensive to continue to add employees to handle the work. So something has to change.

There has been a great deal written in the past two years about the back-office workforce optimization (WFO) suites that have emerged to create a new and improved operating model. (See: The Missing Links in Back-Office Business Process Optimization). This white paper presents a framework and methodology for transforming your back-office operating model to drive a higher quality and more cost-effective organization. The practices, tactics and systems provided in this paper will improve the productivity and performance of your back-office operating units. The approach described here will improve visibility and quality while giving management the tools to oversee the work. The end result will be substantially lower costs, a greatly enhanced customer journey, and more engaged employees.

Back-Office Workforce Optimization Suites

WFO suites have emerged that are specifically designed to revolutionize back-office operating departments. Unlike BPM projects where companies were given a framework and workflow tools, back-office WFO suites come with a set of modules, tools and best practices that are intended to address the primary challenges in these operating units. Figure 1 shows a model of a typical back-office WFO suite. These solutions should come with the core modules and technology shown in the Figure. The value-added modules at the top of the chart are optional, but each one enhances the output of the solution and is worth considering, based on the needs of the organization.
The primary components of a back-office WFO suite are:

**Real-time work allocation and management**: This is the core module of a back-office WFO suite. It functions as the “control cop” and has two primary components: the activity tracker and the work allocation manager. The activity tracker logs work or projects in and out of the system. It keeps track of the overall job and all of the activities and tasks that are required to complete each work unit. The activity tracker is state-sensitive and always aware of the status of each task and the total job.

**Work allocation and management**, the second component of this module, serves four primary purposes. It categorizes each work item, assigns the appropriate service level targets (as documented in the service level agreement (SLA), as well as response times), identifies the appropriate resource to handle each task of a job, and then assigns tasks accordingly. It also provides visibility into outstanding work.

**Workforce management (WFM)**: This module forecasts the volume of work items and tasks/activities, and then develops schedules that ensure the department is properly staffed. The challenge is to track work items (jobs) and activities/tasks at all times, so that this data can be used for
forecasting and scheduling. Back-office forecasting is complicated by having to take backlog into account.

**Quality control:** This module measures the quality of the output. It is comprised of software used to create evaluation forms that need to be customized for each type of job (or workflow), and a tool for choosing and capturing tasks and activities for evaluation purposes. The better-quality control modules also have tools that facilitate employee training and coaching, to enable managers to address areas of opportunity.

**Performance Management:** This module is designed to measure how well the department as a whole and each employee are meeting their objectives. Performance management solutions track key performance indicators (KPIs), and then report who is in and out of adherence. These solutions deliver dashboards and scorecards at all levels for executives, line managers, supervisors and employees.

**Administration:** This module is used to configure and manage the entire back-office WFO suite on an ongoing basis. The best-designed suites have one administration module for all suite components.

The technology modules that empower back-office WFO suites are:

**Integration functionality:** This allows users to integrate their back-office WFO suite with a variety of feeder systems. Web Services and application programming interfaces (APIs) are typically used for integration. An alternative is to import files.

**Workflow engine:** This allows the system to create relevant job and task/activity flows. It is also used to move tasks/activities and work units (jobs) between the appropriate resources.

**Database:** This is used to collect and organize relevant data and data sets.

**Reporting:** This is used to show managers and system users what is happening at all times in the systems and its modules.

**Analytics:** This is used to analyze system output and identify actionable trends and opportunities.
Solving the Work Allocation and Management Problem

Work allocation and management is the most important component of any back-office WFO suite. It’s the “control cop” that manages activity tracking and work distribution. Figure 2 below illustrates how this works.

Figure 2: Work Allocation and Management System

Here’s how the process works. Inputs are fed into the activity tracker component of the work allocation and management module. The work can be received in many ways, but the most typical are paper, scanned and indexed images, or work items contained in feeds or cases passed from other departments or third-party applications. (For example, the contact center may generate a request for a mortgage refinancing.) The activity tracker logs the work item into the system. It is state-sensitive and always monitoring the current status of each work item and subordinate tasks/activities. (Many organizations are using desktop analytics for this function, as it excels at tracking all employee desktop activities.)

The activity tracking module passes the work item to the work allocation subsystem. The work allocation module categorizes each work item and breaks it
down into related tasks and activities, although it continues to associate each lower-level activity with the relevant work item. It then assigns a service level target to each task/activity and rolls it up for the work item. It’s not as simple as it sounds, because there are time dependencies that have to be taken into consideration; some tasks can be accomplished in parallel while others must be done in sequence.

Identifying the right resources to assign to each task/activity is the next step in the process. In the old days, it was common to assign a complete job or work item to one person, regardless of the type of work and number of tasks required to complete the job. (This was the best way to maintain control of work items.) With today’s sophisticated work distribution/management systems, jobs can now be disaggregated and assigned at the task level to experts with the right skills, contacts and access to required information. This capability alone should yield a substantial improvement in quality, turnaround and transparency.

After the jobs have been distributed, the activity tracker conceptually kicks back in and follows the status of each task/activity. It monitors for SLA compliance and identifies and flags problem items and bottlenecks. As importantly, it also measures how much work each employee is doing and how much remaining capacity they have. In the past, when work was measured at the job or work item level, there was no accurate or fair method for determining how much work was performed by each employee. (It was believed that the volume of work would average out eventually.) The new work allocation/management systems address this issue too, improving employee satisfaction and engagement.

The frequency of running the work allocation and management system varies depending on the type of work performed by the department. However, it should be updated at least once per day so that the system can generate the data required to feed performance management, quality control and workforce management solutions. Data from the performance management application should be used to generate daily dashboards for line managers, as well as scorecards for employees, so that everyone knows what is expected of them and how well they are doing their jobs relative to their goals.

**Top Back-Office Operating Challenges**

As we’ve just seen, the new back-office WFO suites automate the tracking, distribution and reporting of back-office work, regardless of whether it arrives as a paper item or as a work case initiated by a contact center or another department. Figure 3 describes the way that back-office work is typically handled
and managed today, without these new suites, and presents an alternative approach where each of these problematic areas is automated and controlled.

### Figure 2: The Dos and Don’ts of Back-Office Work Allocation and Management

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Wrong Way</th>
<th>Right Way</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving paper items</td>
<td>Collecting, counting, copying (in case something is lost), and distributing the paper</td>
<td>Scanning and indexing work items</td>
</tr>
<tr>
<td>Distributing work</td>
<td>Pigeon-holes, bulletin boards, basket drops, email, verbal assignments</td>
<td>Using a work allocation and management solution</td>
</tr>
<tr>
<td>Tracking work items</td>
<td>Tracking at the item level without knowing the work type and activities required to get the job done</td>
<td>Using an activity tracking system to log, categorize and identify appropriate resources, and to determine service level at the task level for each work item</td>
</tr>
<tr>
<td>Managers’ lack of visibility into bottlenecks</td>
<td>Waiting for customers to complain</td>
<td>Using performance management to track and report on department and employee service level</td>
</tr>
<tr>
<td>Measuring and assessing the quality of work items completed</td>
<td>Waiting for customers to complain (or sampling once a year before the annual evaluation)</td>
<td>Using a formal quality control tool and process to automate the quality assessment process; performing quality assurance on a monthly basis</td>
</tr>
<tr>
<td>Measuring employee productivity and output</td>
<td>Tracking number of work items completed</td>
<td>Using performance management to measure employee productivity and SLA adherence; delivering scorecards on a daily basis to managers and employees</td>
</tr>
</tbody>
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Source: DMG Consulting LLC, September 2013
The old way of doing business, where the back office pretends it does not have a problem until the company hears from its customers, is no longer acceptable. The back office is an essential contributor to the overall customer journey. When things go wrong in the back office the impact is felt in the contact center (or customer service department) and, increasingly, is made known to the public via social media. These mistakes are not intentional; they occur because management often has little visibility into what is happening in their department and therefore does not know what issues need to be addressed.

DMG appreciates that it’s hard to change and that the recommended new approach (see the Right Way column in Figure 3) requires a significant investment in technology and commitment from senior executives and line managers. Unfortunately, however, the old ways of managing back offices are no longer sufficient. There is an ever-increasing volume of work pouring into companies in most verticals, including financial services, insurance, healthcare, telecom and government, and it is no longer effective to just throw people at these tasks. Automation and transparency are needed to improve quality cost-effectively and deliver an outstanding customer journey in the front and back office.

**Final Thoughts**

Back offices cannot afford to continue conducting business as usual. Too many customers are unhappy with the service they receive, which is too costly, ineffective and often exposes companies to unnecessary risks. After 20 years of struggling with these challenges, there is finally a better way. Back-office WFO suites make it possible for companies to rapidly automate and re-engineer their operating groups. Innovative companies that are looking to reduce back-office operating costs by 10% to 20% while improving the customer journey should investigate these new solutions, and find a partner who understands their business and is willing to work with them to achieve their goals.
About Aspect

Aspect’s fully-integrated solution unifies the three most important facets of modern contact center management: customer interaction management, workforce optimization, and back-office. We help the world’s most demanding contact centers seamlessly align their people, processes and touch points to deliver remarkable customer experiences. For more information, visit www.aspect.com.

About DMG Consulting

DMG Consulting LLC is an independent research, advisory and consulting firm that provides strategic and tactical advice to enterprise and contact center managers, vendors and the financial community. Our mission is to help clients build world-class contact center and back-office environments by leveraging technology, processes and people. We provide insight and guidance to assist management in optimizing performance by increasing operational efficiency, providing an outstanding customer experience, enhancing loyalty, and increasing sales and profits. DMG devotes more than 10,000 hours annually to researching various segments of the contact center, analytics and back-office markets, including vendors, technologies, best practices, solutions and their benefits and ROI. More information about DMG Consulting can be found at www.dmgconsult.com.