Operational Efficiency

The Ultimate Guide for E-commerce Support Managers

Kaizo

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Introduction

As an industry, e-commerce is subject to a rollercoaster of high volume peaks and quiet trough periods. Much like any chaotic amusement ride, most of these high and low periods are foreseeable in the near future, yet some come around too unexpectedly for us to prepare.

Customer support teams are in the front seat of this e-commerce rollercoaster, dealing with heavy ticket influxes and downturns head-on. To be able to thrive in these chaotic periods, support teams need to be as operationally efficient as possible whilst also providing an excellent customer experience. Doing more with less and doing it better than ever.

We sat down with some of the leading customer support experts in the e-commerce industry to compile a definitive guide of tips and best practices for boosting operational efficiency in peak and low periods.

This guide covers 5 critical practices:

- Detailed Forecasting
- Channels Strategy
- Self Service/Automation
- Hiring/Staffing
- Gamified Incentivization

This project is all about creating a community within the industry where we can share our thoughts and ideas. With this in mind, we'd love to hear your feedback. Feel free to shoot us an email at hello@kaizo.com or contact us on our socials.

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Happy reading!

Detailed Forecasting

To be able to effectively plan for these surges and descents in contact volume, customer support managers need to place great importance on forecasting.

This allows managers to effectively utilize their support channels, hire/staff correctly, and allocate the correct budget to ensure that they are as operationally efficient as possible when peak seasons arrive.

How to forecast how many agents you need?

1. Calculate the capacity of your Customer Support team

First and foremost, you need to understand the number of tickets your agents solve per hour. You can also calculate the number of tickets solved per day. However, if you want to have more accurate capacity planning, it's better to calculate per hour.

Team capacity = average number of tickets solved per hour per agent * number of agents

💡 *To calculate the average number of tickets solved per hour, take the total number of tickets solved by your team over a certain period of time and divide it by the total net working hours spent.*

2. Calculate your interaction ratio

In order to forecast against your main KPIs, you need to know how many customer interactions are happening per total number of transactions (orders) per day.

Interaction ratio % = total number of tickets / total number of transactions

3. Now you can forecast:

- a) how many tickets you will receive with the increase of the number of transactions.
- b) if your team can solve the forecasted number of tickets.

a) Knowing your interaction ratio, you can calculate the increase in the number of tickets by applying this formula:

Expected number of tickets =
expected number of transactions * interaction ratio

b1) Now let's see how many net working hours your team will be really working at the forecasted period:

Expected net working hours = number of agents (working at the forecasted period) * average net working hours per one agent

b2) Now you can see if your team can solve the forecasted number of tickets:

Expected number of net working hours *
tickets solved per hour / expected number of tickets

Calculating this formula will give you an indication of whether your expected team can solve the forecasted number of tickets.

💡 *If the above = 1 or >1 – you have enough capacity to solve all the expected inbound tickets.*

💡 *If it is <1 – your team won't be able to solve all the expected inbound tickets.*

4. So, how many actual net working hours are required for your team to solve all the expected tickets?

Easy. Just divide the number of all expected tickets by the average number of tickets solved per hour by one agent:

Required net working hours to solve the forecasted tickets= forecasted number of tickets / tickets solved per hour per agent

💡 *All the metrics mentioned above, except for the number of transactions, are available in Kaizo's Scorecard. It provides 50+ FREE real-time agent performance metrics, including the breakdown by channels, which makes the detailed forecasting easily done.*

Align with Marketing

Whilst your main KPI's will give you a great indication of what to expect in terms of contact rate, don't forget there are more factors that influence changes in ticket volume. It is important to always analyze your historical data. This allows you to see if there have been any factors or anomalies that affected your volume.

This includes aligning with the marketing team on:

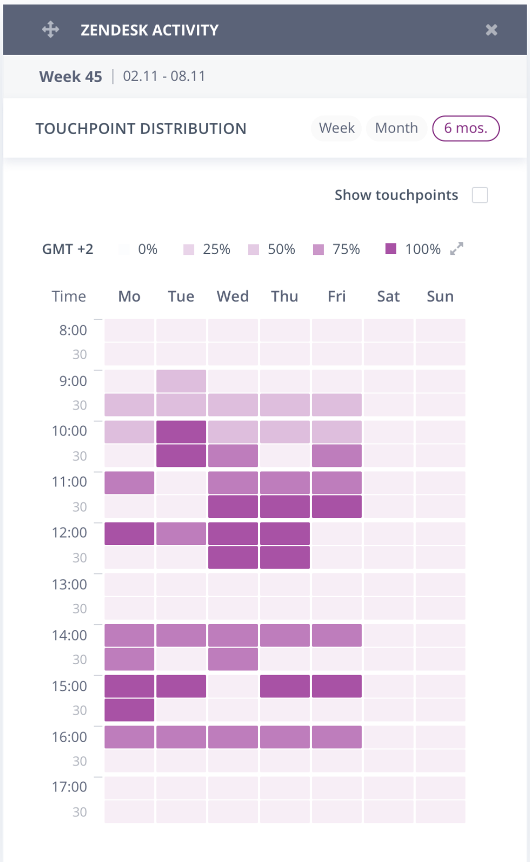
- The performance of their previous campaigns in peak periods.
- The planned allocation of budget and resources for upcoming marketing campaigns.

> **Make sure you're on top of what marketing is doing. If this year the marketing budget for Black Friday sales is 200% greater than last year, then this needs to be taken into account as it will cause a higher volume of sales and inquiries.**
>
> **Jan Brenneke,** Chief Supply Officer at talixo

Don’t go *too* big picture

A common mistake when it comes to forecasting is only looking at trends in monthly or yearly periods, ignoring peaks and troughs on a weekly and even daily basis.

Tools such as Kaizo’s Heatmap can give managers real-time detailed insights into peak periods. It shows which days during the week or time periods during each day require more agents and resources and which require less. It gives managers an easy to read and actionable overview of each agent’s activity in Zendesk.



This helps infinitely with operational efficiency as it takes the guesswork out of staffing.

💡 *For example, if you are a smaller company and it is not financially viable for you to remain open on Monday evenings, then don’t.*

However, if you change your staffing schedule make sure it is consistent so as not to confuse your customers.

Channels Strategy

When it comes to operational efficiency, one of the most important things an e-commerce support manager can do is steer customers towards using channels that are optimal for your team.

Managers need to cater to their target audiences' needs, wants, and trends. However, they also need to also take into account which channels are low-cost and easy to manage for themselves in busy periods.

Email vs Realtime channels

A common question for teams during peak periods is whether to focus on tackling email backlog or focus on ticket influx from realtime channels.

Email backlog

A common channel strategy for teams facing an unmanageable intake of tickets is to have dedicated shifts where they switch off their real-time channels.

- **Pro:** This minimizes the stress of incoming inquiries and allows a focus on tackling building backlog.

- **Con:** If you're not staffed sufficiently, your service levels may take a small hit as some angry customers can't get through.

Realtime channels

Another strategy for teams facing the pains of a growing backlog is to dedicate shifts to focus solely on realtime channels, by turning off or steering customers away from email.

- **Pro:** This will stop the growth of your email backlog as tickets can't sit in a queue via realtime channels.

- **Con:** If done too frequently it may confuse customers and hinder your channel strategy.

Depending on where your priorities lie, teams can use both of these strategies in peak periods to ensure that they have a healthy balance between incoming and a steady yet manageable backlog.

Get UX involved

A critical part of steering your customer base towards the channels that you want is tailoring the user experience.

This is done by working closely with the UX and Marketing teams to highlight your desired channels for customers on your website, chatbots, interactive voice response (IVR), and any other platforms your customers use.

💡 *For example, Whatsapp is a very popular channel for e-commerce teams as it is fast, easy to manage and agents can handle multiple inquires at once.*

If this is your desired channel, make sure this is highlighted at the top of your 'Contact Us' landing page, the first option available on your chat and FAQ, and is given as the primary point of contact on your IVR.

> **Guiding your customers towards your preferred channel is all about visibility. If you want people to contact you via Whatsapp, then work with your UX team to make sure its always the first option they see when they get in touch.**
>
> **Dorien De Vreede,** Head of Support at bloomon

Triage ticket topics

In peak times, one of the biggest challenges for support agents when it comes to answering incoming and backlogged emails is having to constantly change ticket topics.

💡 *For example, one ticket may be regarding a refund, the next about billing, and the next about shipping.*

This can be confusing and very time consuming to continually switch topics. To boost operational efficiency, teams can tag each ticket based on certain topics and allocate team shifts to focus on one topic per shift.

Allowing a team of agents to focus on one topic will allow them to craft better more focussed responses and stay in the zone throughout a shift, rather than shifting focus constantly.

Self-Service/ Automation

As an industry, e-commerce has one of the highest rates of customer interaction. From late delivery to sending the wrong order, there is an infinite number of scenarios in which a customer feels the need to contact a company.

However, a significant amount of these inquires are extremely simple. They often don't warrant the time or resources of having an agent on the phone or answering an email/ chat.

Hence, being as operationally efficient as possible is highly dependent on lowering your customer contact rate.

Proactively informing customers

One of the biggest detriments to operational efficiency for e-commerce support teams is the influx of repeat case tickets.

These are customer inquiries that focus on one temporary issue that affects all customers.

💡 *For example, there was a strike at your delivery company and all products will be 2 weeks late.*

To avoid these cases altogether, support teams can use self-service platforms to proactively inform their customer base of the issue.

💡 *For example, add an IVR to your phone channel saying:*

'There has been a slight issue with our shipping services.
As a result, all orders will arrive 2 weeks later than expected.
Please use this code to receive $10 off your next order'.

Democratizing your Help Center

When it comes to customer support self-service, having a functioning help center is a no-brainer.

However, for many B2B e-commerce companies help centers are tailored towards smaller, lower-income wielding clients. Hence, they are given less budget and effort.

This leaves many senior support agents giving specialized treatment to larger clients which costs teams a lot of valuable time that could be spent elsewhere.

By collecting more user feedback, allocating more time, and a greater budget to help centers, support teams can democratize their help centers for all client sizes.

> **You need to justify the effort on content and processes by making sure they help and enable your upmarket activities. But don't alienate the customers who got you where you are to chase bigger customers.**
>
> **Phil Byrne**, Customer Engagement Manager at INTERCOM

Hiring/Staffing

Whilst it may seem like the easy way out, hiring strategically during peak periods can often be one of the best methods to improve operational efficiency.

To ensure teams are hiring correctly, managers need to identify whether the peak they're in is temporary or sustainable and decide on in-house or outsourcing options accordingly.

Flexible contracts & Quality Onboarding

For e-commerce support teams that are facing temporary peaks such as Black Friday or Mother's Day sales, hiring can a great method to deal with volume influx. When hiring temporary team members, there are two options:

- **Outsourcing:** If support managers have a reliable outsourcing provider, hiring externally can be a great way to cover these busy periods. Outsourcers often have staff that are ready to work on temporary projects and are highly skilled in dealing with high volumes.

- **In-house:** If teams prefer to have their temporary agents in-house, hiring students on 0- hour contracts is a great way to quickly boost output levels. This strategy is often considered more expensive but produces higher output quality as managers hold in-house control over onboarding/ training.

Regardless of which option you choose, the key to growing your team efficiently is onboarding. Whilst it may be tempting to speed up the process in busy periods when you need agents on the front line as soon as possible, quality always reigns supreme. Taking the time to guide new employees on how to do their job correctly the first time, will save you time that would otherwise be spent on fixing errors in the long run.

Our mantra for onboarding is to always focus on quality. There will come a time when we focus on quantity, but if we teach you how to do right the first time then we can teach you to do it faster. But if we teach you to do it fast initially you'll never get it right

Jeff Perales, Head of Customer Success at sendcloud

Gamified Incentivization

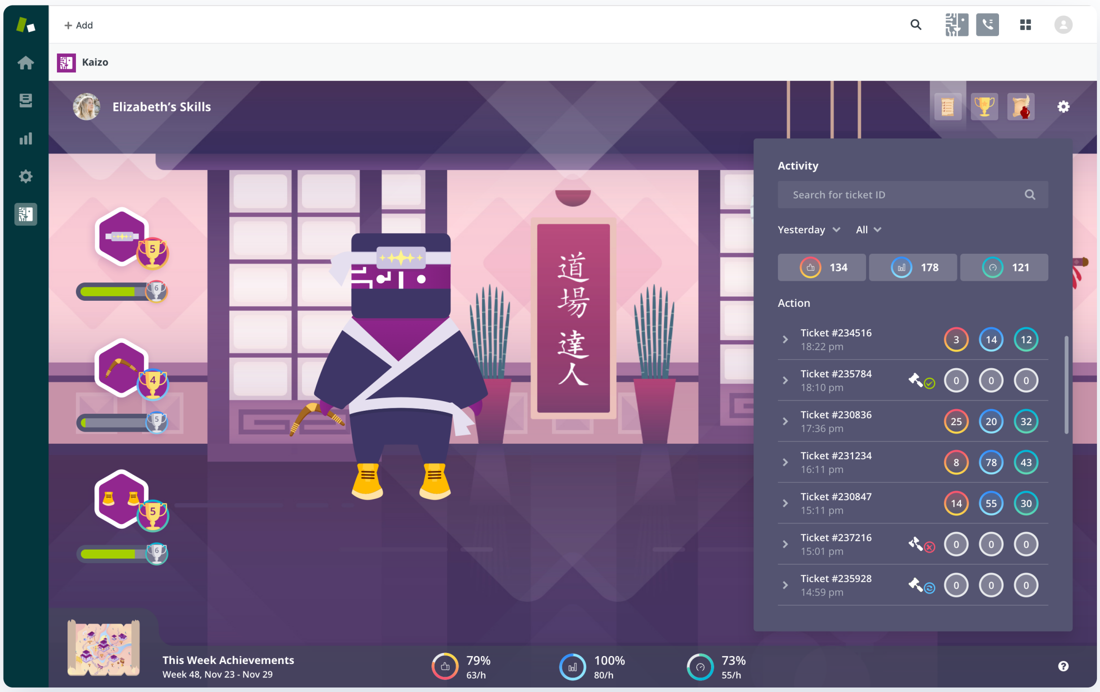
One of the most common hurdles when it comes to operational efficiency in peak periods is ensuring that support teams uphold a high level of service quality. To ensure teams don't let their standards slip, managers can implement gamification to proactively steer their agents away from a focus on speed towards a strong focus on quality.

Kaizo has pioneered a point-based gamification system that incentives agents' actions by awarding points and rewards for actions that align with company goals, making agents more efficient than ever.

Incentivizing first-touch responses

In times of heavy ticket influx, it is easy for teams to focus on answering tickets as quickly as possible, leaving quality by the wayside. Whilst this may seem efficient, it can often lead to an increase in ticket reopen rates and end up costing the team more time and effort than simply answering tickets to a high standard initially.

Kaizo's point system allows managers to customize criteria to dictate what actions agents are rewarded with in-game skill points.



To ensure agents provide a high level of quality for incoming and backlogged tickets, you can allocate an increased amount of points for one-touch solutions and set negative points for any ticket reopens.

💡 *For example, setting the game engine to allocate 50+ quality points for one-touch solutions and -20 quality points for ticket reopens.*

Closing performance gaps

Support teams often start getting out of their depth with inbound inquiries. When this happens it is important to take a step back from the chaos and analyze the team's performance to see where they need to improve.

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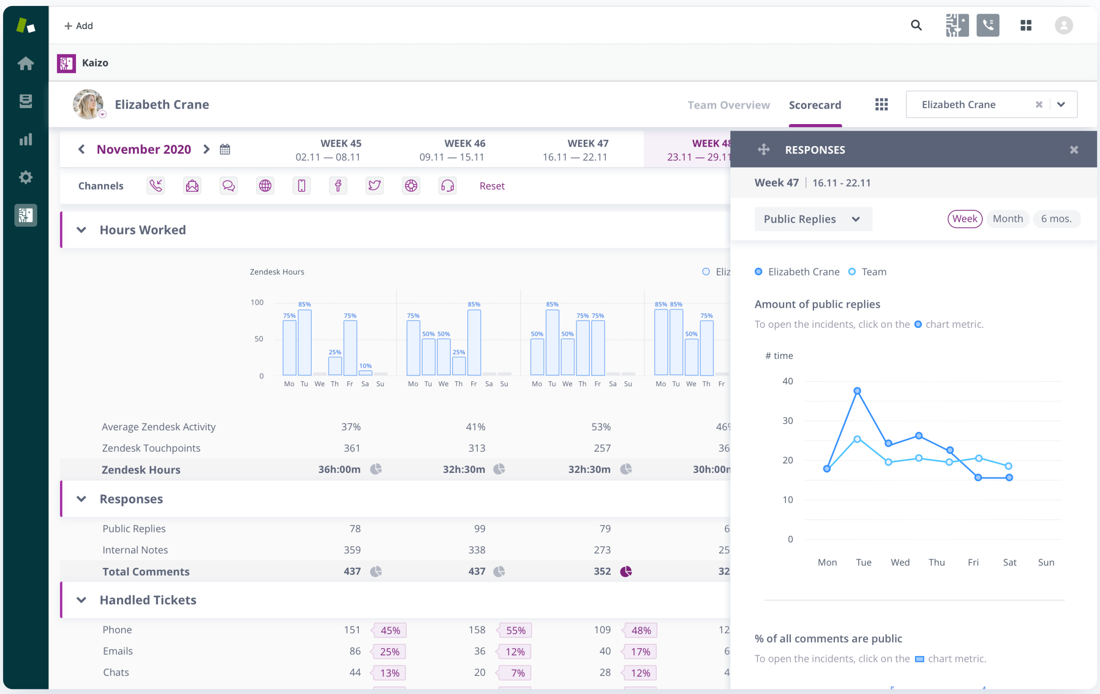
Kaizo's [Scorecard] provides an automated real-time overview of each agent's performance with 50+ metrics and the ability to drill-in to each of these metrics to see what caused the success or failure of an agent's performance.



These insights allow you to easily identify outliers and issues with workflows and develop constructive feedback. Hence, you are more educated on where to efficiently use your resources to ensure you continue to provide high-quality service in peak periods.

> **The Scorecard allows me to see how my agents are operating in real-time and at such a granular level. I use the incident drill-in and heatmap features to pinpoint areas for improvement, making it a lot easier to manage my team's performance.**
>
> **Darren Reeves**, Support Team Lead at resolver

Conclusion

Whilst the industry of e-commerce can often be unpredictable it doesn't mean your support team can't thrive in times of chaos.

Whether your peak and trough periods are foreseeable or not, being efficient with your time, resources, and internal processes ensures your team are primed and ready to succeed when times get tough.

From reading this guide we hope that we have enlightened you that not only surviving but *thriving* in these times comes down to a few simple processes:

- Utilizing data to plan ahead
- Using your resources strategically
- Having open communication with other departments in your company
- Taking the pressure off with self-service
- Using gamification to steer your team's performance development

We would love to hear more about all of your unique experiences also, so please feel free to share them with us. If you haven't already, check out our blog on Kaizo.com, where we share our distinctive (and often controversial) thoughts on the latest topics in customer support.

You can also email us at hello@kaizo.com, or follow us on our socials. If you liked this book, follow us on our socials to keep up to date with our latest content.

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How Kaizo can help

The Kaizo platform transforms your team's performance metrics into powerful insights. It enables you to effectively guide your agents towards improving their skills, self-managing their goals and delivering better service.

The platform provides the tools to upgrade operational workflow and efficiently scale your team. Kaizo empowers teams to use their time and resources more efficiently, providing a more productive and engaging digital work environment.

- Uses gamification to **boost agent engagement** and teams' **employee retention.**
- **Saves time** on onboarding and training with integrated agent assessments. - **Improves your team's productivity** and allows you to manage more agents per team lead.
- **Increases agent efficiency** meaning less hiring as you scale.

For more information, check out Kaizo.com