NICE BACK OFFICE BENCHMARK:
Measuring, Improving & Driving Performance

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About NICE

With NICE (Nasdaq: NICE), it's never been easier for organizations of all sizes around the globe to create extraordinary customer experiences while meeting key business metrics. Featuring the world's #1 cloud native customer experience platform, CXone, NICE is a worldwide leader in AI-powered self-service and agent-assisted CX software for the contact center – and beyond. Over 25,000 organizations in more than 150 countries, including over 85 of the Fortune 100 companies, partner with NICE to transform - and elevate - every customer interaction.

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RETHINKING BACK-OFFICE PRODUCTIVITY FOR BETTER BUSINESS RESULTS

> "If you can't measure it, you can't improve it"
>
> Lord Kelvin

The Hidden Metrics of Back-Office Productivity

No matter what your industry, back-office operations are seldom prominent, but they are a major contributor to business success. Back-office processes can be simple, in-and-out steps (e.g., posting a payment) or complex, multi-step processes that span days, weeks, or even months (e.g., commercial loan applications or insurance claims).

Regardless of the tasks, however,organizations struggle with a common challenge: How can true productivity be measured and improved in the back office?

For data entry clerks, auditors, loan processors, insurance claim professionals, and other backoffice employees, the number of work items completed is often used as a measurement of productivity. But does this truly identify who is being very productive and who is not? Moreover, can such a metric provide any indication where improvements need to be made?

The answer on both counts is a clear "No."

Measure Right So You Can Manage Well

For accurate and in-depth insights into back-office productivity, including improvement opportunities, a proven solution is desktop analytics – the automated remote monitoring, capturing, measuring, analyzing and visualizing of data generated by desktop applications. Ideally, this includes monitoring application usage, idle and lock time, as well as off-desktop activity, providing optimal operational transparency and visibility into employee activity.

With effective monitoring comes a key psychological challenge for back-office employees in the form of resistance to what they may perceive as "Big Brother," watching at all times. However, this mental stumbling block can generally be overcome with an emphasis on the fact that desktop analytics is indispensable to fully recognizing, rewarding and improving performance. By accurately characterizing employee behavior and back-office processes, best practices and individual successes can be identified, and weaknesses quickly addressed.

Operationalizing the productivity metrics provided by desktop analytics is made possible by performance management solutions, which communicate actionable insights both individually and across entire teams to drive improvement. An engaging way this can be accomplished is through dashboards, with varying accessibility permissions, presenting the balance of key performance indicators (KPIs) and internal relative rankings. Insights and alerts can point to areas for improvement, with recommended action plans and suggested coaching activities. Accurate desktop analytics integrated with performance management becomes a tool for targeted coaching to improve various KPIs, such as production time, average handle time by work type, rework percentages, and the like, as well as to expand an individual's skills when appropriate, for a higher level of performance.

In addition to measuring true productivity, desktop analytics can also help identify previously hidden opportunities for improvement. Hidden opportunities can be found when excessive time is spent in what is considered a productive category or application, but without expected corresponding performance outcomes.

A good example of such a hidden opportunity is when employees appear to be overusing chat applications, which, in principle, are primarily used for business purposes. However, such overuse could be an indicator of excessive time spent on personal communications. In one instance, a NICE Desktop Analytics customer decided to focus solely on time spent in the chat application. The organization, a large healthcare provider, set a limit of 30 minutes per day in chat and coached its employees accordingly. Setting a 30-minute goal allowed this customer to create the relevant KPI, reduce time spent in chat, and contribute to overall increases in productive time and throughput per hour.

More generally, NICE has seen that leveraging desktop analytics as part of a back-office solution that includes performance management components results in a 15 to 18 percent increase in productivity. So, it is imperative that desktop analytics becomes part of a broader solution bringing much-needed visibility into the back office.

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A Huge Opportunity to Improve Productivity: The Numbers

The visibility into back-office productivity provided by an effective desktop analytics solution has been amply demonstrated in over thirty-five NICE proof of concept (POC) engagements across a wide array of sectors – with some surprising results.

The largest number of organizations hosting a NICE Desktop Analytics POC were in the Banking, Financial services and Insurance (BFSI) sector, followed by core healthcare services organizations, IT managed services, and telecom service providers. Other organizations were from sectors such as consulting, energy, retail, and more.

During the POC, NICE Desktop Analytics was integrated into the organization's back-office operations to collect and send activity data to a central location. There, it was separated into customer-defined categories such as Productive, Non-Productive, Non-Work-Related, Idle and Lock.

The global back-office organizations taking part in the NICE POC's, on average, expected to find that employees were spending 85 percent of their time productively during a typical 8-hour workday.

The actual data, however, showed that the average productivity level of back-office staff was only 61 percent.

According to the POC data, the minimum productivity gap was 45 minutes a day per employee and the greatest was 222 minutes (3.7 hours out of an 8-hour day). The average was 108 minutes, with a standard deviation of 44 minutes.

That is, regardless of geography, the productivity improvement opportunity ranged from 64 to 152 minutes per day, per employee.
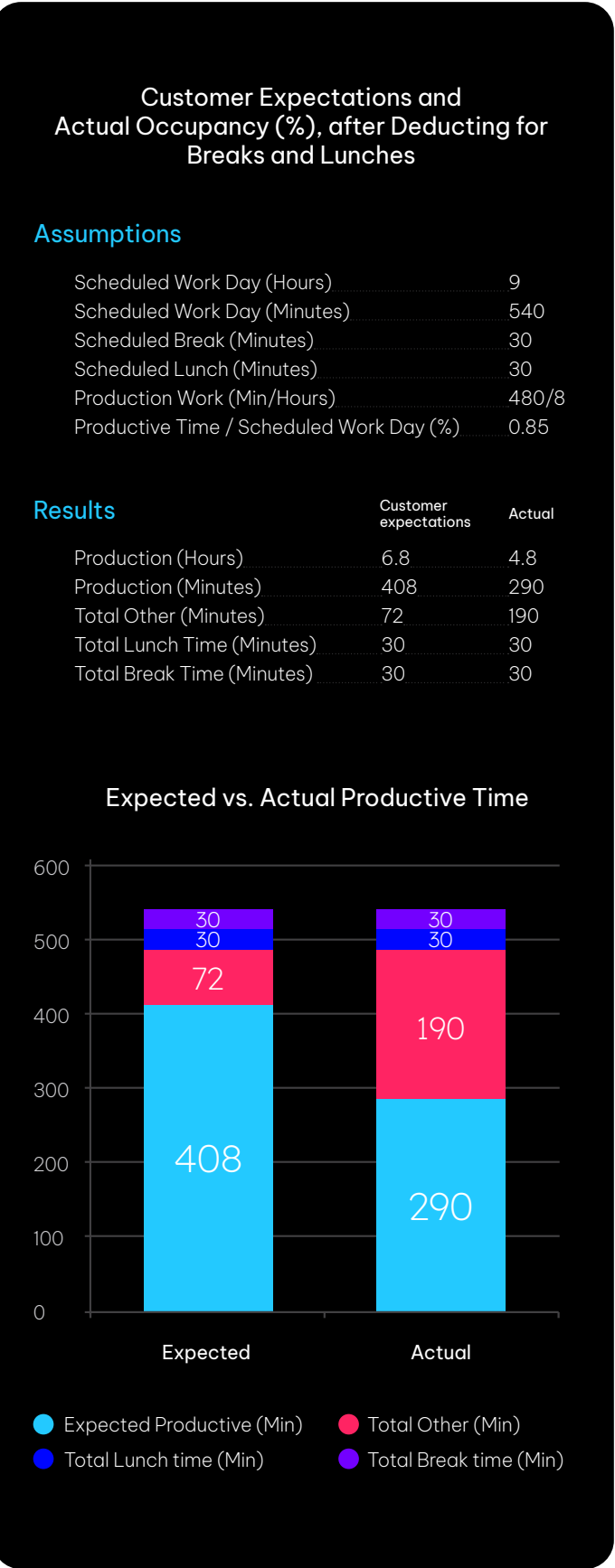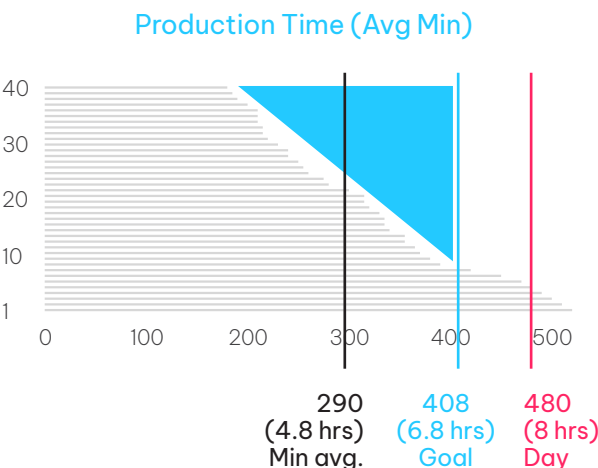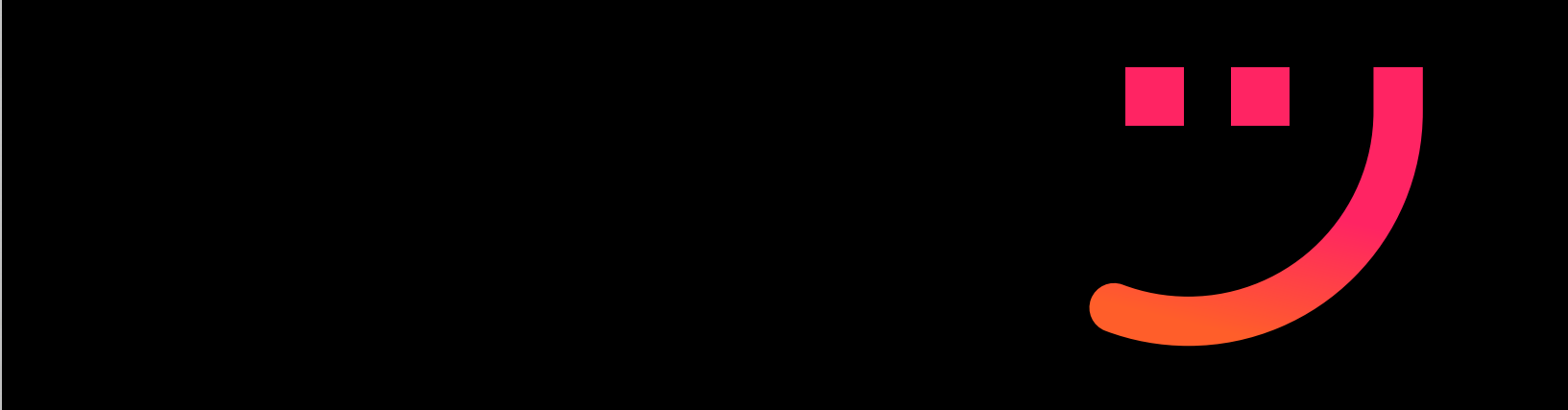
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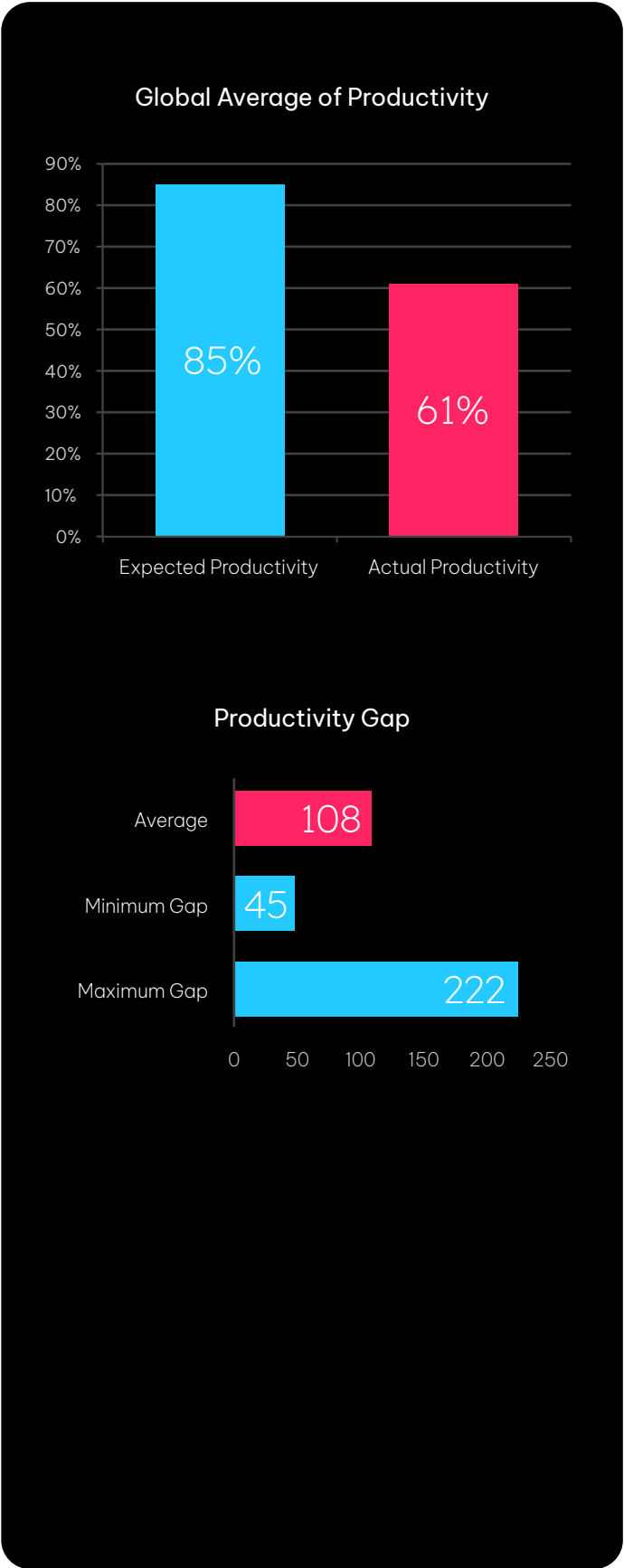
Productivity Gap

Translating Productivity Opportunity into Business Results

Analysis of data captured during the NICE POC's shows that, regardless of what vertical you are in, how many employees you have, and whether they are in the office or work from home, on average, you have a 24% productivity improvement opportunity.

To understand the impact of productivity improvement on business results, let's consider the business case of a back-office organization with 400 employees and nine-hour shifts that include a 30-minute lunch break and two additional 15-minute breaks; effectively, eight working hours in a day. The organization expects average employee productive time to be 85 percent; i.e., 6.8 hours a day. The data collected by desktop analysis, however, indicate that the actual average productive time is 4.8 hours. That is a productivity opportunity of two hours (see the figures below) per day, per employee. In other words, two hours a day that an employee should be working, but they are not.

Recapturing only 25 percent of the identified gap between actual and expected productive time (i.e., approximately 30 minutes a day) **would already save the company nearly $1 million annually for every 400 employees** (assuming 52 weeks in a year, five working days in a week, and $15 per hour cost per employee). In cost-effectiveness, that is like operating as usual, but with 50 fewer employees.

Production Time (Avg Min)

290	408	480
(4.8 hrs)	(6.8 hrs)	(8 hrs)
Min avg.	Goal	Day

Customer Expectations and Actual Occupancy (%), after Deducting for Breaks and Lunches

Assumptions

Scheduled Work Day (Hours)	9
Scheduled Work Day (Minutes)	540
Scheduled Break (Minutes)	30
Scheduled Lunch (Minutes)	30
Production Work (Min/Hours)	480/8
Productive Time / Scheduled Work Day (%)	0.85

Results

	Customer expectations	Actual
Production (Hours)	6.8	4.8
Production (Minutes)	408	290
Total Other (Minutes)	72	190
Total Lunch Time (Minutes)	30	30
Total Break Time (Minutes)	30	30

Expected vs. Actual Productive Time

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RECLAIMING TIME
FOR THE BOTTOM LINE

A strong, productive back-office team is made up of the unsung heroes who keep the machinery of any serious enterprise running smoothly. So, measuring and managing their productivity is critical to business success and the corporate bottom line.

Comprehensive desktop analytics, with the performance management tools needed to turn insight into action, gives you the capability to drive back-office productivity and close proficiency gaps that impact customer service. Visibility into true back-office productivity (who is working and who isn't) and the causes of service inefficiencies (cycle time, reopening, non-productive applications, etc.) allow you to shape performance plans that are personalized and tied to specific KPIs.

And when you leverage that visibility to reward your best performers, you will also be improving employee engagement, which is a leading indicator of customer satisfaction.

Improving your back-office productivity using desktop analytics is in effect reclaiming lost time. This greater time-efficiency, much like cost-effectiveness, is an indispensable element in helping your company be more profitable and more competitive.

RECOMMENDATIONS

a. Start by asking your back-office operations the following two questions:

1. In your Back-Office, how can you tell who is working and who is working properly?
2. How do you currently drive and improve employee performance in the Back-Office?

b. Contact your WFO vendor and request to learn more about a solution which can help measure and drive productivity in the back office.

c. Make sure that the solution presented to you addresses the following requirements:

1. It both measures and improves employee performance.
2. Solution presents key performance indicators (KPI) and performance goals at all levels.
3. Solution is easy to deploy and quick to show value. Deployment time should not exceed 4-5 months and value should be realized within a single month.
4. Solution can be easily extended and expanded to include additional WFO components (such as workforce management and intelligent work routing).

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