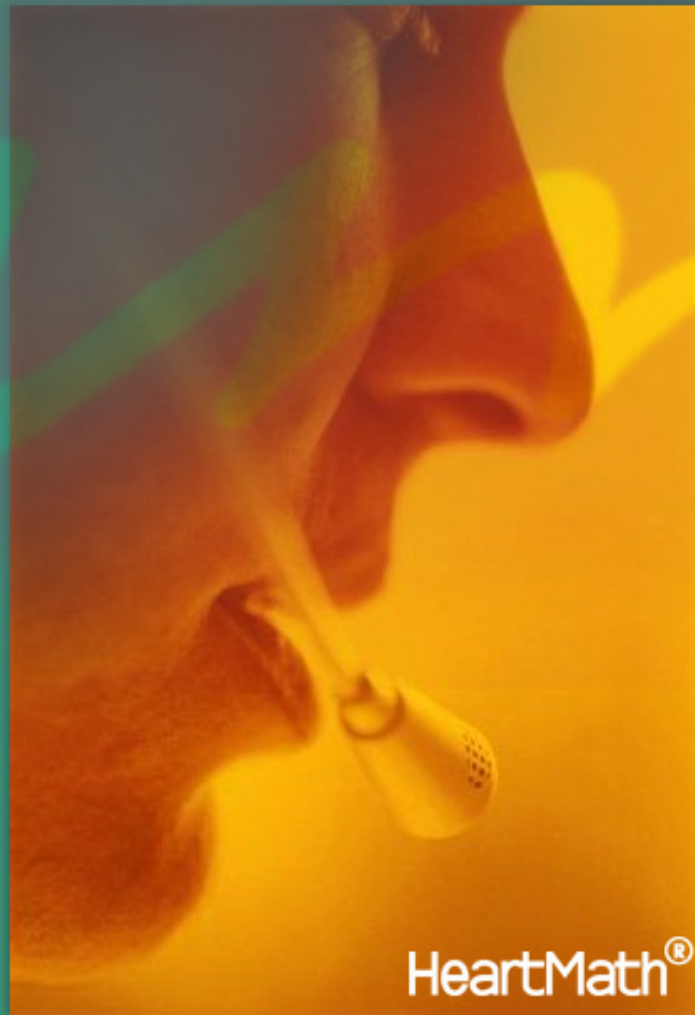# A Fortune 50 High Tech Call Center
An ROI Study

HeartMath®

**Building A High Performance Contact Center
Reducing Stress, Turnover And Increasing Productivity,
Morale And Customer Satisfaction.**

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HeartMath ROI Case Study

A Fortune 50 High Tech Firm—Call Center

Building A High Performance Contact Center Reducing Stress, Turnover And Increasing Productivity, Morale And Customer Satisfaction

I. Executive Summary

This case study reports on the Key Performance Indicators (KPIs) measured before and after a HeartMath training program in a Fortune 50 High Tech Firm's technical support call center. This call center was the frontline of technical support for the company's technology product lines. The business goals of the program were to reduce stress, improve communication and improve morale of the technical support group, thereby leading to increased customer satisfaction and loyalty. By training the technical personnel to be able to recalibrate their stress levels after difficult calls, it was also expected that turnover would decrease and productivity would increase. The total estimated savings realized by the firm from the HeartMath training program was **$632,539**.

The changes in the KPIs based upon those who reported in the categories of "often" or "most of the time" were:

- 67% reduction in intent to leave the job (decrease in turnover)
- 16% increase in productivity
- 100% reduction in stress, anger, exhaustion, tension and depression
- 38% improvement in communication between staff and managers
- 33% improvement in listening to customers and fellow employees
- 36% improvement in feeling cared about by the organization.

The key driver of these results was: participants learned techniques that were used in real-time to transform their physiological reactions from stress, thereby boosting their performance when dealing with customers and co-workers. In addition, several individuals who were on high blood pressure medication were able to reduce or stop taking the medication after the training (with doctor's approval). While potentially significant, the outcomes of the health care cost savings were not tracked in this study.

II. ROI Calculations

The Technical Call Center group's goal was to solve the customer's issues in the first call and, thereby, increase the number of "First and Done Calls." At times the issues could not be solved and were escalated. Problems not resolved in the first call would upset some customers. As a result, the Call Center group would feel pressure when they could not satisfy the customer immediately. At times, when operating under reduced staff situations, the group felt overloaded with calls and stretched for resources. As a result of the difficulties on the job, anxiousness and concern were common complaints. The Senior Manager of the Education Department was concerned about costly turnover and looked for a proactive solution.

The following tables are the changes in KPI metrics over a period of 60 days. Baseline measurements were taken before the HeartMath program started. After 60 days, the same group of people was measured again. This program generated benefits for the entire call center group, especially those that were most discontent or least satisfied.

Table 1.1 Performance and Productivity

KPI Business Benefit	Percent Change After HeartMath
I am productive at work	16% increase
I feel good about what I do at work	6 % increase
I like my job	13% increase

Table 1.2 Turnover and Workplace Effectiveness

KPI Business Benefit	Percent Change After HeartMath
I feel like quitting my job	67% reduction
I feel free to express my opinion	60% increase
My objectives are very specific	100% increase
I feel appreciated	80% increase

Table 1.3 Workplace Communication

KPI Business Benefits	Percent Change After HeartMath
We listen carefully to each other at work	33% increase
My supervisor and I communicate well	38% increase
I communicate with 'higher-ups" at work	16% increase

Table 1.4 Goal Clarity

KPI Business Benefits	Percent Change After HeartMath
Organizational goals are clear to me	7% increase
My goals and the organization's goals are the same	13% increase

The following calculations are the potential return on investment for a reduction in turnover and an increase in productivity for two of the measured changes in KPIs.

Business Benefit ROI #1: Increased Productivity

Assumptions:
1. The salary of a Technical Call Center Professional was $51,120.

Calculations:
From Table 1.1, out of 27 people, the increase in productivity was 16%. The value of the increase in productivity is calculated in the following manner:

Productivity before HeartMath was at 84%. 27 x $51,120 salary/Technical Call Center Professional/year x (.84) productive before HeartMath =$1,159,401.

Productivity after HeartMath was at 100%. 27 x $51,120 salary/Technical Call Center Professional/year x (1) productive after HeartMath = $1,380,240.

Benefit of Solution = Difference in Productivity = $220,839.

Cost of Solution = Cost of training 27 people = $25,000.

ROI = <u>Benefit of Solution - Cost of Solution x 100</u>
                    Cost of Solution

ROI = ($220,839 - $25,000) = $195,839 = 7.83 x 100 = 783%
              $25,000 $25,000

This means that for every $1.00 spent on HeartMath, $7.83 was potentially saved through productivity gains.

Total potential productivity savings after HeartMath training = $195,839.

Note: Even if the gain in productivity was only 1/3 of the reported value, the ROI would still be approximately 261%, or result in a total potential savings of $65,279 for one year.

Business Benefit ROI #2: Reduce Turnover

Assumptions:

1. Actual Technical Call Center Professional replacement costs per person in the Fortune 50 High Tech Firm were reported as $25,650. (Actual call center turnover costs may vary from center to center. In 2003, Purdue University's Center for Customer Driven Quality states that replacements costs are $6,350 per individual.)
2. The average salary of each Technical Call Center Professional was $51,120.

Calculations:

From Table 1.2, out of 27 people, a 67% reduction in intention to quit their job means that there was a cost benefit of not replacing 18 people. (27 x .67 = 18.09 = 18)

Benefit of Solution = 18 people x $25,650 = $461,700 in replacement costs

Cost of Solution = Cost of training 27 people = $25,000

ROI = Benefit of Solution - Cost of Solution x 100
               Cost of Solution

ROI = ($461,700- $25,000) = $436,700 = 17.47 x 100 = 1747%
         $25,000 $25,000

This means that for every $1.00 spent on HeartMath, $17.47 was potentially saved in replacement costs for these Technical Call Center Professionals. Total potential savings after HeartMath training = $436,700.

Note: Even if the savings from replacement costs were only 1/3 of the reported value, the ROI would still be approximately 582%, or result in a total potential savings of $145,566 for one year.

III. Observations

Current industry research from Purdue University's Center for Customer Driven Quality and BenchmarkPortal, Inc. states that the number one reason Technical Call Center Professionals leave their jobs is due to stress.
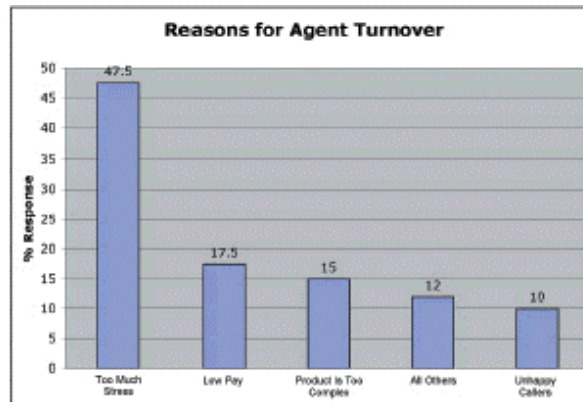

Figure 1. Stress--the number one reason for turnover.

Source: BenchmarkPortal, Inc., 2002

Before the HeartMath Program:

Pre-program surveys revealed the following percentages of participants reporting "often" or "most of the time": 27% were tense, 19% were depressed, 18% were unhappy, 14% were sad, 9% were angry.

From other research conducted by HeartMath, it has become well established that stress experienced on the job causes changes in the physiology of workers and executives alike, in this case the Technical Call Center Professional. Those stress-induced changes in physiology often result in people leaving and less productivity on the job. Prior to the HeartMath training, average performance in this group had resulted in increased operating costs and more customer complaints. People leaving resulted in a reduction in staff. Therefore, the remaining staff was unable to reach Customer Service business goals. Increased operating costs also increased due to additional recruiting and retraining costs resulting from the turnover. This High Tech Firm recognized that personnel performance issues had been directly related to the pace of their business and that was costly for their Customer Service organization and for the corporation.

After the HeartMath Program:

After the HeartMath program, post program surveys of the same participants revealed: 0% were tense, 0% were depressed, 0% were unhappy, 0% were sad, 0% were angry (based on "often" or "most of the time" responses.)

The Technical Call Center Professional and managers reported being able to monitor, measure and control their own stress levels, thereby feeling more in control of their unpredictable environment and the pace. They felt more equipped to provide improved customer service under stressful situations.

IV. Conclusion

Total Savings for this High Tech Firm after HeartMath Training Program

$436,700 -	Reduced Turnover	
+ $195,839 -	Increased Productivity	
$632,539	Total Estimated Annualized Savings measured over 60 days	

(Note: Even the most conservative estimates, 1/3 of total savings = $210,846.)

V. Recommendations:

In future HeartMath programs at this site, it is recommended that the sample group be measured to include all results achieved beyond the pilot and compare this data to a control group not receiving HeartMath Training to factor other variables in the environment. We understand that 350 people were trained after the initial pilot. Include KPIs in the baseline measurement to associate the decrease of health care costs and benefits to the organization, i.e., increased time on the job, decrease in absenteeism, etc.

Testimonials about the HeartMath Training Program from Fortune 50 High Tech Firm

"In dealing with customers, our group is under stress all the time. Members of the team have said, 'Communication with their managers is more effective after the HeartMath training.' Also, prior to HeartMath, a lot of people had said they were thinking about leaving the organization. After the HeartMath training, they aren't thinking of quitting anymore. The quality of people's lives is improved as people are less stressed at the end of the day. They have more energy to work better with customers and also have more energy for their family when they leave work."

"I personally am more efficient at work and in how I balance my time. Specifically, in a group I listen with more clarity for core messages so that we can focus meetings effectively. Essentially, I have become more efficient at getting to solutions. These tools are universal. Wherever you are these tools work."

--**Program Manager/Education Department**

"In our high-pressure customer service jobs, Freeze-Frame® is fantastic technology. We are able to give customers time to vent using our intuitive listening skills. Since we have had our entire team using HeartMath, we have an 80% improvement in our focus on the business problem at hand. We draw on our full creativity."

--**Technical Call Center Professional**

About HeartMath

HeartMath is the world's leader in helping organizations build coherent, dynamic organizations that achieve success on three levels: top line, bottom line, and people line. Featured in the *Harvard Business Review*, our innovative Inner Quality Management (IQM)$^{®}$ framework is the basis for the first scientifically-validated suite of high-impact business programs to help leadership teams, sales organizations, customer service groups, and all functional levels achieve breakthrough, sustainable results. HeartMath's Freeze-Framer$^{®}$ technology for reducing agent stress and improving contact center efficiency, received TMC Labs' 2003 Innovation Award.

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