

FORECAST FOCUS



STOP GETTING BULLIED By Your WFM Software

By: Tiffany LaReau, Human Numbers

Not getting the results you expected from your WFM software? Here's how to stand up and take control of your forecasts.

If your call center uses workforce management software, chances are you were told optimistic tales about a high ROI. But the stories may have left out a few pieces of information that are key to WFM success — like the large amount of infrastructure that is needed to support the system, the collaboration of efforts from different business units needed to identify proper assumption sets to enter, and the lack of flexibility in forecasting algorithms that are available to the forecaster. The truth is, WFM applications can be complex and time-consuming to use, the forecasting methodology is not open-source code for the forecaster to manage, and the software forces the users to work around a pre-programmed rule set.

There are often other pitfalls, too. Your software may be stubborn about the interval span that it allows (e.g., everything has to be in 30-minute increments). The way it collects raw data from your phone switch contributes to poor data mining habits; some software automates this process completely, preventing the user from normalizing aberrant data with outliers. It doesn't always provide an easy path to document disaster recovery or special events from the interchangeable forecast types, so capturing and documenting anomalies must happen outside the system. Some software always try to use the most recent handle time, which robs the forecasts from handle time seasonality. It is hard to develop and track new-hire AHT curves, especially when you have to consider the class size, the timing of the impact, and any other special events that are happening at the same time.

Combine Automated with Manual Methods for Consistency

It's my opinion that the most rigid and harmful rule in WFM software is the single forecasting methodology. Most vendors use time-series forecasting, which is great if: 1) You have more than 24 months of data; 2) your call groups are very stable (meaning, they are not re-assigned to represent different groups of customers); and 3) your volumes have static, simple drivers.

I'm a fan of time-series calculations. It's typically my first choice in building a forecast, but I can't remember a single instance in which time-series alone was able to produce a satisfactory forecast. It always requires a combination of time-series plus some sort of regression, some factor of adjustment (with a specific start/stop range), some artfully applied measurement provided by someone in marketing, and then whatever the current seasonality happens to be, based on the economic climate. This combination has to be carefully balanced on an ongoing basis: New elements to the forecasting dynamic are introduced and then removed, and this doesn't happen in a neat, sequential way.

A more responsible approach to forecasting is to start with the solid statistical forecast with normal intelligent assumptions, then pile on marketing and events, the results from internal and external collaboration, and finish it off with some sort of reconciliation process. This method will give you much more consistent (and

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actionable) forecasting results. It's always a fun exercise to generate a forecast manually and compare my results against the machine, just like John Henry.

Yet WFM vendors always like to say, "You can't create a good forecast using a tool like Excel. You need OUR product to do a good job with that." I was at the Forecast Focus conference in Las Vegas in March (no WFM vendors present there), and it was interesting to hear that the majority of the members present also liked to use Excel to forecast. Some had add-ins and macros built in (like the ones I use), but still the forecasting methodology was very advanced and well articulated. Also, the methodology focused heavily on the forecasting results — were the results accurate or wrong, and if wrong, which tools were used to identify it as quickly and correct it going forward — another feature that is lacking in WFM toolsets.

Be Aware of Software Limitations

The evolution of WFM software has finally resulted in a compromised version that allows the end-user to manually enter, or even import, better choices for historical data sets, handle times and forecasts than what the system can produce on its own. The value in using imported data for forecasts is that you can use your own expertly created forecasts, and still make the WFM application perform the mind-numbing tasks of breaking down daily data into interval-level patterns, generating schedules, managing intraday tracking and employee schedule exception databases. For these purposes, WFM software is perfectly suited, regardless of the call center size. It's really just a matter of understanding the software's limitations.

The main limitation is that the systems do not check for reasonability in the same intuitive way a person can. Automating the forecast eliminates the reasonability check. For example, I once ran a system-generated forecast using WFM software for a two-year period on a group that was experiencing a sharp decline in volumes. By the 15th month in the forecast, the system had decided my group would be receiving zero calls. In the

16th month, it expected my group to receive a negative number of calls. To make matters worse, the budgetary reports that the system produced turned the costs associated with these months into profit numbers.

These over-simplified WFM system algorithms can't get the job done in multi-generation caller groups. As new events get rolled in, there could be a lagged reaction, and it's necessary to adjust the right amount of trend, diffusing some, and curve-fitting others. The WFM application may not know when to apply each, but a forecasting expert will have an idea. Removing the event is just as important; it doesn't just suddenly stop, it needs careful handling to ramp down properly. Once the model is stable, a simple forecasting approach may work, but when there is a lot of volatility affecting the quantities, a more mature model is needed.

What to Consider Before You Buy

If you're in the market for WFM software, the following are two suggestions for you to consider before you buy:

Use a WFM request for proposal (RFP) questionnaire with multiple vendors. The questionnaire should be developed with the highest weightings given to your most critical priorities (anything that you cannot live without). For example, if you are an outbound/inbound blended center, you should consider outbound functionality as a PASS/FAIL category on the questionnaire, not just a very highly weighted section.

Combining a good infrastructure that supports intelligent data cleaning with an experienced team to interpret the data is critical to creating good forecasts.

Have vendors participate in a "Forecasting/Scheduling Taste Test." Supply each vendor with an identical raw data set of your data to use in their demo. This will give you an idea of the kind of workload tasks you have to look forward to if you select them to be your vendor. If their forecast results are too generalized, you'll have an idea of the additional effort

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you'll have to put in outside of the application. Take a peek at the sample schedules to see if they are schedules that your agents are willing to work. Comparing one vendor's results against the rest will make it easier to select a winner.

Once you purchase the software, you'll need to visualize what you expect it to produce, and then be responsible for getting all the knobs and dials tuned to the right setting. This requires running your data through a series of tests until it performs in an accept-

able way. There is no artificial intelligence in WFM software — it will only do what you tell it to do.

You will also need to take on some of the burden of keeping the vendor/client relationship in a happy state. When they ask for your feedback, give them your fully concentrated effort. Join user groups, and stay up to date on WFM topics. Also, attending vendor user conferences is a great way to get fresh training, stay up to speed on upgrades, and network with people who have similar challenges. 

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