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Performance Management Guide | Home Services

Contents

Introduction

For companies such as those in the home services industry that have an appointment-based business model, the phone plays a vital role. Products or services cannot be sold solely on the internet or in brick-and-mortar stores. Potential customers must call your business and engage with a real person to book an appointment for a technician to come to their home before the sale is finalized.

Home services businesses' marketing campaign ads are not limited to digital advertising — they use many advertising channels in addition to digital, including TV, radio, and direct mail. Digital attribution is a built-in part of online marketing, but offline attribution must come into play as well for a holistic view of your marketing analytics. Home services companies need to track incoming phone calls to determine what channels drive customers to call, which ads generate qualified leads, how call handlers handle these inbound calls, and how many prospects result in an appointment. Determining where to spend your marketing dollars successfully should be based on the data to determine your ROI. Should you keep advertising with Campaign A, or reallocate that marketing budget towards Campaign B, which generated more leads with a lower cost-per-lead investment? In a world with so many advertising options, it is imperative to make data-based decisions and not rely on anecdotal information.

Ensuring great call experience and outcomes is also vital for your brand reputation and customer experience; it also directly correlates to your sales. Without call handlers booking phone appointments from inbound leads, you cannot make sales.

Performance management helps companies understand how their phone lines and offline marketing attribution, as well as call handler performance, impacts their overall marketing and company success. The phones are a vital step in consumers' buying journeys, so employees' performance on the phones must not be ignored. Having a performance management system in place is essential to making informed marketing decisions based on real data, not assumptions, of marketing and employee performance.

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What is the basis of performance management?

At its core, a performance management system is based on data collected from your phones. However, it does take more than having phone lines for effective performance management. To truly participate in a performance management solution, internal changes must be made and adhered to. Performance improvements must be put into place and followed through on based on the data that is collected and reported on through your phones.

A true performance management solution takes the data you receive to the next level of business optimization. Performance management shows how many inbound calls are true prospects, a breakdown of appointments made vs. missed opportunities, employee phone performance data, missed opportunity alerts, and call coaching opportunities.

It is up to you to determine what parts of performance management fit your business goals — whether it be some or all of the solutions. Like any organizational change to see results, it is only effective if you commit to taking action on the data you receive and implementing new processes to meet your goals.

Creating goals based on KPIs for accountability

A properly implemented performance management program means accountability for your business and your employees. An accountable business doesn't stay complacent; it sets goals.
When setting your goals, there are important steps to follow:

1. Determine goals based on business objectives
2. Set specific goals
3. Develop a timeline for accomplishing each goal
4. Communicate goals to each team member
5. Create accountability through regular monitoring and employee feedback
6. Practice continuous improvement

Customer Service Representatives are a vital part of the business and help you achieve your goals as a whole. They are the first person new customers will speak to, and that will leave a lasting impression of your business.

"A goal properly set is halfway reached." —Zig Ziglar

The first step in setting goals is to analyze your current standings; once you have an understanding of your baseline data, you can plan where you want to go. Utilizing the tools your performance management system provides helps identify your current standings in the following categories:

Marketing

- Number of prospect calls
- Cost per prospect call

Sales

- Conversion rate
- Number of appointments set
- Cost per appointment

Customer Experience

- Call handling consistency for all prospect customers
- Branding is maintained
- Call handler scheduling based on volume to ensure each call is answered the first time

By setting a baseline for all of these areas based on your performance management program's data, you can set specific KPIs (key performance indicators) for each employee and your team as a whole to reach towards for improvement and bettering your business.

How do I figure out if I need a performance management solution?

Simply put, if your business depends on the phone and uses call handlers at any point in the customer journey to make a sale, you will benefit from a performance management system. Here's a simple assessment to determine if performance management is right for you.

1

My business follows an appointment-based model.

Do most of your customers make an appointment to purchase your product or service? As a home services business, we are sure that your answer to this question is "yes." Although some businesses may adopt an online/form appointment booker, most consumers will still choose to call in and book an appointment over the phone by speaking to a live representative. Phone traffic to appointment-based companies has increased four fold in the past several years due to click-to-call on smartphones. Within local services, 76% [of potential buyers] would use call features to schedule an appointment for professional services.[1] Regardless of your marketing spend, you have one chance to turn a caller into a potential customer. Understanding your call-to-appointment rate and knowing the outcomes of calls to improve call handler performance is vital to the health of your business.

2

My business has a dedicated call handling team to answer inbound calls.

Your business has an in-house call handling department, uses a call center, or maybe even both. When you're paying employees to handle phone calls, you need data to understand call outcome rates and how to make employees perform better.

If booking three more appointments a month without increasing more marketing spend can improve your profitability, it is imperative to use call processing.

3

My business relies on repeat customers.

If your business model depends on return customers (regardless of frequency), then every new customer requires nurturing over time. Customer service is the key to creating loyal customers. A performance management system aids you in seeing where your customer experience is lacking and where to improve for better future experiences.

4

In-person appointments are required to make a sale.

If making a sale requires customers to come to your business or for you to dispatch a technician for a consultation, then phone handling and appointment booking rates (taking into account no-show rates) are imperative to understanding your true marketing ROI. If booking three more appointments a month without increasing more marketing spend can impact your profitability, it is imperative to continuously improve call handler skills and recapture potential lost business.

Incentivizing employees

Incentive plans help motivate your team and help them appreciate that they have control over booking a sale or a call handler booking a prospect into an appointment. As owners and managers, you must decide what you want your employees to accomplish. A good incentive plan is considered fun, exciting, and rewarding.

Choosing the right plan depends on what you hope to achieve; you have to decide which type works for your company and your employees. There are basically three main categories of incentive plans: individual, group, and company. Individual plans reward each employee based on their own merits and can be tailored to suit each employee.

Utilizing a performance management solution gives many opportunities to put incentive programs into place. By delivering specific KPIs based on data delivered by your performance management program, you can implement incentive plans to help you and your team reach specific goals. Once you have decided on an incentive plan that is right for your company, you need to create a plan that works for your office. To do this, you will need to conduct a needs analysis. This should reflect your current situation and be tied in with your goals. Once you have set your goals, the next step is to structure your incentive plan; the results should be measurable and objective. See a detailed list below:

## Creating an incentive plan that is right for your business.

- Set goals for where you want to be in the next 18 months (or longer)
- Conduct a Needs Analysis
    - › Current data tied to your goals
    - › Incremental micro goals to get you to your macro goals
- Create an incentive plan for your employees tied to the micro goals
- Create an evaluation time line/check-in to see if the plan is working
    - › Get feedback (positive & negative) from your employees
- Course correct as needed

Below are some questions to ask before coming up with the perfect incentive plan. The answers you come up with will help you identify which incentive plan will work best for you.

- What does my team need to improve or work on?
- What do I want to accomplish this year?
- Are customers getting the experience they deserve?
- Does each prospect have a different experience when they call the office?
- How is team morale?

To implement an incentive plan, you need to clearly define the role of whom you are incentivizing. When creating an incentive plan, keep in mind the risks. The incentive plan you choose can and will change the behaviors of your team. A poor incentive plan will lower morale, create conflict, and ultimately encourage behavior you don't want. Your incentive plan should benefit the employee and the office. It will also allow you to see who your top performers are and who may be a good fit for a deeper role in the company than they currently have.

Sometimes incentivizing your team in one area is not enough; a hybrid incentive combines two or more goals for your team to meet. It incentivizes your team to concentrate on multiple areas and rewards a broader range of desired outcomes. Hybrid incentive plans allow your team to see the correlation between the goals that are set and met.
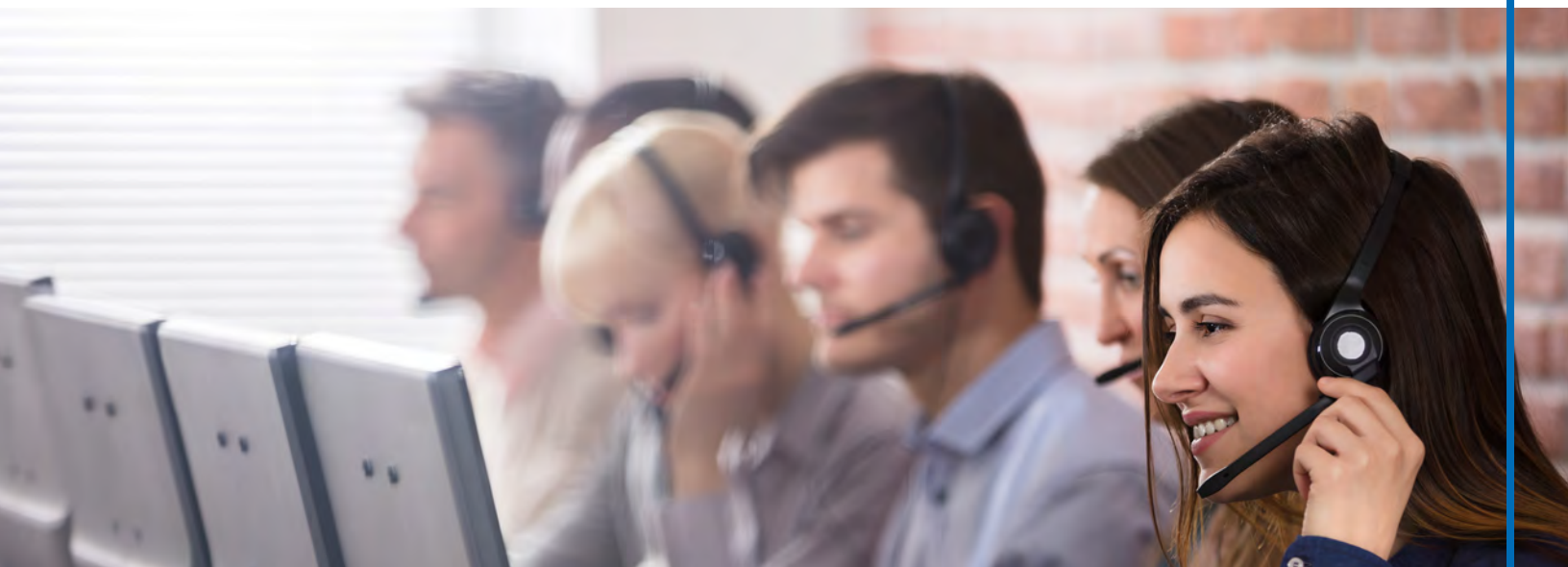
Training **vs** Coaching

In your business, your call handlers are a key part of your team. They give your customers their first impression of your company, "selling" themselves and your business to book the appointments that lead to revenue and profit.

Performance and results must be top priorities for your phone handling. If your team is not yet giving you the results you expect, or if you want your team members to achieve higher levels of proficiency and performance, coaching by experienced professionals who know your business can meet your needs.

What exactly is coaching? Many businesses already train employees on particular aspects of their company and their job position. So how does coaching differ and how can it help you?

Training and coaching are often used interchangeably, but they are two different approaches with two different goals.

Training teaches a person a specific skill or type of behavior. It is usually a one-time event, in which the agenda is controlled by the trainer in a formal setting. Training is also typically a "one size fits all" approach. Think of when a new process is being put in place — everyone needs to be trained. Employees go through a training meeting or course to know how to use and incorporate the process into their workflow. The training is complete, but as a short-term action without specific performance goals or long-term business growth.

Coaching supports a person in achieving a specific goal. It is ongoing development that allows persons being coached to find a solution for themselves. The coach and the "learner" both determine the content, making it highly personalized and an ideal way to manage and enhance performance.

Coaching relies on a "learn-do" feedback loop that holds employees accountable for their performance and outcomes

Coaching relies on a "learn-do" feedback loop that holds employees accountable for their performance and outcomes. For example, when you coach a person on their individual phone skills, you both review the strengths of that person and specific areas for improvement. In the sales environment, a coach helps phone handlers own their performance according to their developed insights. These insights are ongoing, and there are always opportunities for further improvement during each coaching session.

Training   **vs**   Coaching

Training	Coaching
• Learning objectives	• Performance objectives
• Learner works in isolation	• Learner and coach in a learning partnership
• Learner capability is unknown	• Learner capability is established
• Knowledge-oriented	• Task-oriented
• Focuses on acquiring skills	• Focuses on applying skills to solve business issues
• Success is subjective; learning results are not linked to job performance	• Success is objective, based on job performance and measurable results
• Limited or unknown ROI	• Easy to measure ROI

What should I do before implementing a performance management program?
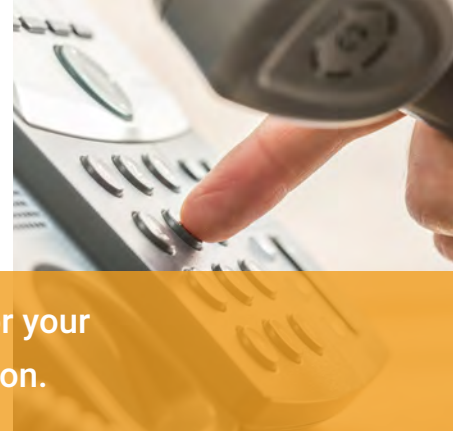
Once you determine the right performance management solution for your company, be sure to read the following section before implementation.

Define specific goals for your performance management system

Create specific SMART (Specific, Measurable, Achievable, Relevant & Time-bound) Goals you want to achieve with your performance management system.

Make a timeline for yourself for achieving your goals.

If you don't know where to start, answer why you want to purchase and implement performance management and work backward. Discuss your goals with the vendors you are deciding between and validate your timeline with them. If they don't take an interest in your goals or your business before they make the sale, it is indicative of the support you will receive later in the relationship. If your vendor isn't helping you in making the right decisions, it's probably not the right system for you.

Team buy-in and excitement

Remove ambiguity from your team. Explain to your call handlers and office manager(s) how and why you are implementing performance management. Call handlers can have anxiety over having their calls recorded or monitored; it can feel punitive if not approached appropriately in the beginning. This can change your desired company culture.

Designate a performance management team to train them on your "why." This teach-the-teacher system will create transparency. Create clear expectations of responsibilities and accountability with regards to the reports and data each person will use and how to create a system for a feedback loop to find out what is working and what is not. Remember, negative feedback isn't bad as long as it is constructive. Your employees who are answering the calls are closest to your new performance management system; their feedback is needed for success.

Look at online reviews

Before purchasing your new performance management system, look at their online reviews and testimonials. Some great review platforms to read reviews for call tracking and management companies are G2 Crowd, Google, and Capterra.

Consult industry groups and talk to peers who may use performance management platforms and find out first hand what they do or don't like about who they use.

How performance management will improve your business.

Since 1991, CallSource has been working with call tracking clients, and has created a myriad of products at our clients' request. From Tier 1 companies to small mom-and-pop businesses, our call tracking and performance management system has helped over 300,000+ clients improve marketing spend, advance call handler performance, and ultimately increase their appointment conversion percentage and their bottom line.

First, using a performance management system keeps you informed. Major decisions should not be made without using sound data. By habitually reviewing your call analytics reports and scheduling regular meetings with your dedicated representative, you are committing time to improving your business. Once reviewing your performance management data becomes a part of your regular work routine, you can easily spot areas where you are excelling and hitting your KPIs, as well as areas you need to improve.

Utilizing a performance management system also improves your bottom line. Allocating marketing dollars to advertising effective channels rather than wasting budget on ad sources that are underperforming will maximize your marketing spend. Call processing reports and call coaching ensure your call handlers are increasing call-to-appointment rates and improving call handling skills.

Finally, a performance management system helps owners and managers use data-driven forecasting. Discover how many actual prospects your marketing is driving to your phones and how your employees are handling those calls. Look at past data to stay prepared for upcoming seasons. Seasonal trends in advertising will also become apparent when reviewing data over time. Creating benchmarks and evaluation periods when trying new channels will also help you make more informed business decisions. By decreasing wasteful spend and improving call handler performance, you will stop leaving money on the table. If you decide to combine your performance management system with a digital attribution management system (which CallSource also provides), you will get an even clearer picture of your customer journey.

Data-driven forecasting

How has utilizing performance management helped other businesses like mine?

Overall Increase in Conversions

A plumbing, heating, air, and solar company that has been in business for over 17 years with 200+ employees increased their overall conversion rate from 74% to 78% and added over $43,000 in revenue to their bottom line by working with CallSource to improve their call handling experience with employee performance.

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Conclusion

Choosing a performance management system shouldn't be a quick decision. Evaluate all your options; make sure the company you are going to choose can support your business goals and provide the level of support that you want.

We hope that this guide has answered your questions about performance management and how using performance management to stay accountable and make real changes internally can help your marketing and operations teams improve to achieve greater ROI.

If you have further questions regarding performance management or just are interested in learning more, visit www.callsource.com for more insights and solutions.

We are the experts in call tracking, call management, performance management, review management, and digital management. Contact us today to learn how we can help with your performance management needs.

1. https://adwords.googleblog.com/2013/09/new-research-shows-that-70-of-mobile.html