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Implementation of Process Conformance to COPC Standards in a Global BPO Company: A Case Study

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Abstract

The business process outsourcing (BPO) is an inevitable but integral part of the corporate operations today. The BPO companies have to continuously improve the operational effectiveness and efficiency to stay competitive. Customer Operations Performance Centre (COPC) based Performance Management System is a quality standard that has been designed specifically for customer centric service organizations particularly the Business Process Outsourcing (BPO) organizations to improve the quality of output of BPO services. The case study in this paper discusses as to how COPC standards have been successfully implemented in a global BPO Company based in India as a quality assurance methodology. The study also suggests implementing COPC as a balanced card approach in conjunction with Six Sigma to synergise benefits from concurrent application of these approaches.

Keywords

Quality, Customer Operations Performance Centre, services, business process outsourcing, balanced score card.

1. Introduction

Customer Operations Performance Centre (COPC) Performance Management System is a standard that has been made specifically for customer centric service organizations specially Business Process Outsourcing (BPO) organizations and contains terms and requirements specific to this industry. While ISO 9001 is most commonly used as a QMS in the manufacturing industry, COPC is used in service organizations. It has been designed to increase service quality, customer satisfaction and revenue while at the same time bringing down costs for the company. This standard was developed by buyers, providers and senior managers responsible for operational management. It is performance oriented and data-driven, using processes and people as enablers and leadership and planning as drivers. The primary objective of COPC is to improve service, quality, revenue, customer satisfaction and profitability. COPC is based on the Malcolm Baldrige National Quality Award framework and thus combines sound business sense with reliable benchmarking practices resulting in high performance processes.

This paper presents a case study related to implementation of COPC as a quality assurance technique in a global BPO company. A baseline audit is first carried out in the company on various COPC standard items. Based on this audit, gaps in performance are identified and prioritized. The project team then works towards implementing items of the standard and improving the performance.

2. The Company Profile

The case study company, Quatrro BPO Solutions is a BPO company founded by Raman Roy, considered to be the farther of the Indian BPO industry.The organization's experience spans 19 years and it includes establishing the first captive financial shared services center for American Express, the first captive operations center for GE Capital, and the largest 3rd party Indian BPO company. With nine operating centers in 5 countries, the team has successfully

transitioned over 1,100 client processes from clients around the globe creating over 37,000 new positions(www.quatrro.com). Quatrro focuses on pioneering new service lines, geographies and business models in business process outsourcing. The company provides a range of vertical and horizontal service offerings which are targeted towards global clients in North America, Europe and Asia. The company endeavors to provide its clients with innovative solutions at lower costs through a combination of tools, platforms and business processes. It provides services on the business lines of Customer Interactive Services, Technical Solutions, mortgage, finance and accounting, risk Analytics and management, legal, travel and hospitality sectors and serves industry verticals such as telecom, media and banking and financial services. The business has three principal characteristics-

(i) It is highly technology and people intensive thus necessitating a high level of security in technology and people processes and assets as well as security for the facility in which these assets are located.

(ii) It deals with substantial amounts of client and customer information that needs to be maintained in a confidential, accurate and complete manner.

(iii) Business operations are 24x7 as a result of which availability of assets directly required for information processing and assets supporting information processing is critical.

3.COPC (Customer Operations Performance Centre) Performance Management Systems

COPC is a leading performance management system for customer centric service organizations. It provides the Quality Management System for BPO organizations. It is a certification mark of the Customer Operations Performance Centre Inc. it was developed using the criteria and framework of the Malcolm Baldridge National Quality Award.

COPC comprises of a set of management practices designed to:

- Improve customer satisfaction through improved services and quality
- Reduce the cost of providing excellent service
- Increase revenue.

Integral to COPC certification is:

- Having objective measures and processes in place for leadership and planning and for Operations
- Training and People processes
- Demonstrated ability to hit performance metrics.

A number of world class companies like Apple, Intel, Microsoft Dell and American Express to name just a handful are now using COPC successfully to streamline their processes.
The framework generally consists of four categories:

a. Leadership and Planning
b. Processes
c. People
d. Performance

The framework begins with the driver of customer-focused performance management, embodied in leadership characteristics and activities described in *category 1 – Leadership and planning* (Figure 1).

Taken together, *category 2-Processes* and *category 3- People* represent the organization's enablers: a skilled and motivated work force using well designed processes and managing those processes with the appropriate information. The goal of the system is a balanced composite of client and end –user satisfaction, product and service performance, productivity and employee satisfaction addresses in category 4- Performance.

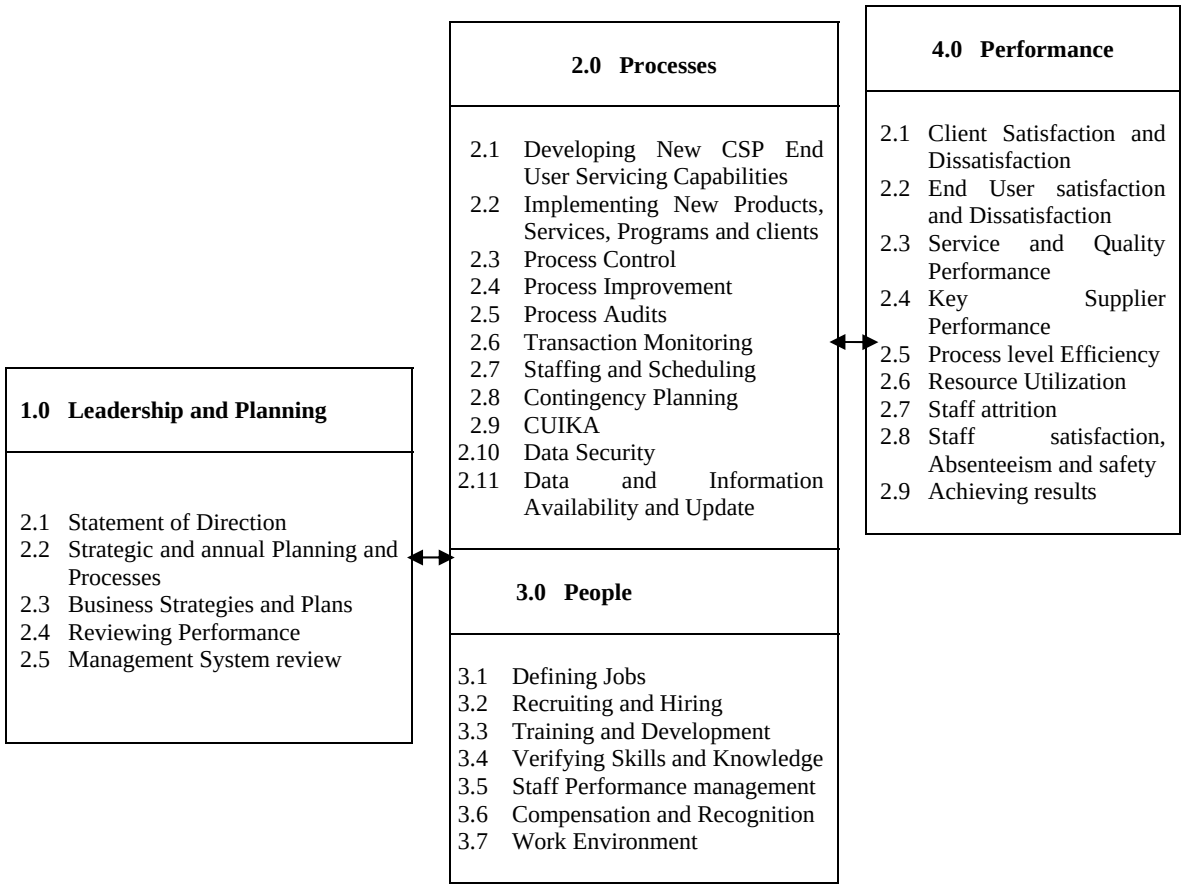

Figure1: The COPC Performance Management System Framework

4.The Organizational Structure

The organizational structure of the Quatrro group is shown in figure 2.TSG (Technical Support Group) is the Technical Support vertical of Quatrro. It consists of two main programs.

(i) Qresolve which markets and services technical supports directly to US customers and through channel partners

(ii) Avotus which is a US based telecom third party managed services and troubleshooting phone and back – office support.

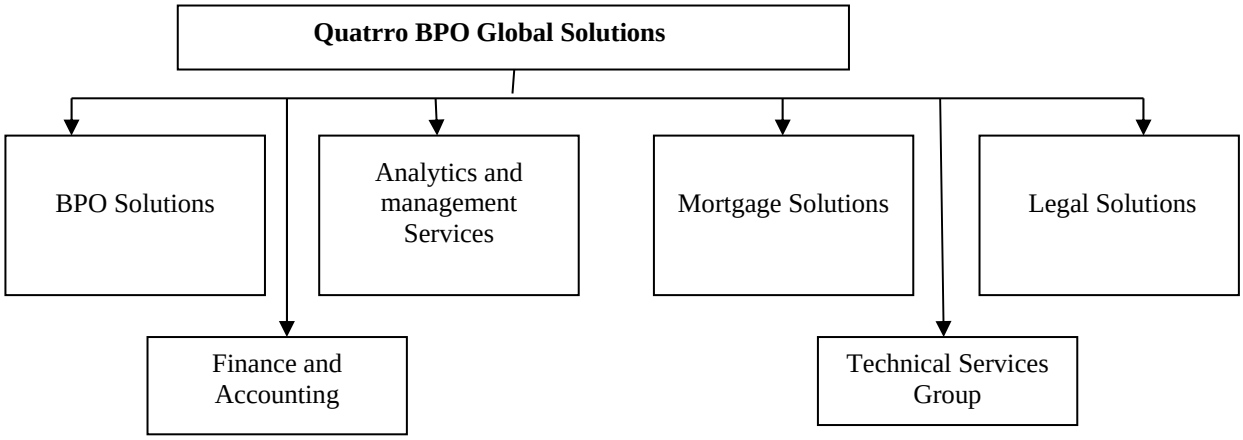

Figure 2: Organizational Structure of Quatrro BPO Solutions
(Source: Quatrro BPO Global Solutions)

5. Quality Assurance in the Company

Quality assurance in a BPO generally involves defining and implementing processes so that the deliverables from the processes are defect free and of a high quality. It also includes continuously improving the processes. It involves the following objectives:

- Defining and implementing processes such that they have a high probability of achieving the desired results
- Continuously improving those processes
- Monitoring transactions, evaluating their quality and providing feedback to employees and process owners to ensure that the employees improve, processes are modified as needed and future transactions are defect free.
- Ensuring that the information is classi8fied according to its confidentiality, its integrity is maintained and it is available when required.

These objectives are generally achieved by implementing quality standards like COPC, ISO 9001 or developing an internal business process management system. Some quality initiatives that are used for process improvement are Six Sigma, Quality Circles and Kaizen.

Since the operations were new, various quality practices like process mapping, Six Sigma and Kaizen were initiated along with COPC. Quatrro had already started implementing ISO 27001 prior to these initiatives. Process maps for the Qresolve process were prepared and the staff taken through these maps. They were also saved on a shared folder so that people could access it when needed. A Six Sigma infrastructure process was put in place by documenting all processes in collaboration with the operations department. Once all processes were documented, training was provided for all the people associated with these processes. Documentation and training ensured that people involved in the processes knew about the various steps and also everybody was aware of roles and responsibilities in the processes.

After the infrastructure processes were put in place, Six Sigma projects were initiated. With infrastructure processes in place, improvements brought about by Six Sigma processes had a higher probability of sustaining. Some of the benefits brought about by the Six Sigma projects included improvement of customer satisfaction and improvement in sales conversion.

Quatrros also initiated Kaizen training for all engineers. Engineers were asked to think about improvement ideas and and eight of these ideas were implemented. As part of the reward and recognition plan, the engineers presented their implemented ideas to the management. The management team then used a scoring guide to grade the projects. The average score was used to arrive at best kaizen projects which were then awarded with a small gift and a recognition certificate.

5.1 Baseline Performance of COPC Standard Items

A baseline performance of COPC audit based on the items identified under the four COPC categories was carried out. The results of this audit are shown in table 1.

Table 1: COPC Standard items and their Status

COPC Standard Item	Qresolve	Remarks/ Status
1.1 Statement of Direction	3	
1.2Strategic and Annual Planning Processes	2	
1.3 Business Strategies and Plans	1	Management needs to deploy the approach
1.4Reviewing Performance	1	Management needs to deploy the approach
1.5Managing System Review	1	A management system approach needs to be put in place
2.1Developing New CSP End-User Servicing Capabilities	3	
2.2Implementing New Products, Services, Programs and Clients	2	COPC elements need to be implemented in transition plan
2.3Process Control	3	
2.4Process Improvement	2	Six Sigma process needs to be deployed
2.5Process Audits	1	Audits need to be initiated
2.6Transaction Monitoring	1	A complaint transaction monitoring process needs to be defined
2.7Staffing and Scheduling	2	Staffing rules to be defined
2.8Contingency Planning	2	BCP to be completed
2.9CUIKA	1	
2.10Data Security	2	ISMS needs to be developed and deployed
2.11Data & Information Availability & Update	1	Process needs to be defined
3.1Defining Jobs	1	Min skills needs to be defined
3.2Recruiting and Hiring	2	Hiring profiles need to be formally developed
3.3Training and Development	2	Approach needs to be documented
3.4Verifying Skills & Knowledge	2	Develop verification of all skills
3.5Staff Performance Management	3	
3.6Compensation & Recognition	3	
3.7Work Environment	3	
4.1Client satisfaction & Dissatisfaction	3	
4.2End User Satisfaction & Dissatisfaction	1	Analysis needs to be initiated
4.3Service & Quality Performance	3	
4.4Key Supplier Performance	1	SLAs need to be documented
4.5Process-Level Efficiency	3	
4.6Resource Utilization	3	
4.7Staff Attrition	2	Approach needs to be documented
4.8Staff satisfaction, Absenteeism and Safety	2	Staff satisfaction to be initiated
4.9Achieving Results	2	Formalize Table F
Percentage Complete	**67%**	

6. Actions implemented under COPC

To implement the COPC standards, the following actions were undertaken in the company**.**

6.1 Preparation of the Minimum Skills List and Verification Document

Various documents were prepared for COPC. First a vision statement was formulated and read as ’delivering Best-in-class Performance on Customer CTQs’. Then, a minimum skills list required by engineers and verification document was prepared. These are skills that engineers are expected to have before starting their work. These skills also need to be tested and verified before they start doing their work. COPC also requires that there should be an annual re-verification of these skills. A few of these skills are given in table 2.

Table 2: Minimum Skills Requirement and Verification Document

Skill and Knowledge Category	Specific Skills	Verification Method	Annual Re-verification Method

Manage End User (customer) Phone calls	Demonstrate: • Pleasant and courteous manner with the customer. • Understanding of call handling procedures • Professionalism in speech and tone • Ability to manage specific type of customer (angry, confused, novice etc)	New Hire Minimum Skills Checklist	Ongoing through the transaction monitoring process, which includes the required elements of: • Objective performance thresholds • Auditable documentation • Corrective action for individuals who fail
Demonstrate accurate typing and effective written and verbal communication skills	• Communicate verbally with the customer in a clear and understandable manner • Ask appropriate questions in order to understand a customer's problem • Communicate continuing progress of the case to the customer • Create a customer closing email according to program guidelines • Type 20 words per minute with 95% accuracy	New Hire Minimum Skills Checklist India – typing test administered at the conclusion ofCCT and PST	• Ongoing through the transaction monitoring process, which includes the required elements of: • Objective performance thresholds • Auditable documentation • Corrective action for individuals who fail • A three minute typing test
Demonstrate effective problem solving and troubleshooting	Demonstrate linear troubleshooting procedures using appropriate tools Use consult lines appropriately	New Hire Minimum Skills Checklist	6 month history of technical call monitoring results
Language and cross cultural skills	• Be able to speak grammatically correct English with an American accent a. American Vowel and consonant sounds b. Intonation c. Rhythm of American English d. Fluency of American English e. Word grouping of American English f. Comprehension of American Accent g. Different Tones h. Liaisons/ word connections • Be able to recognize cultural differences between India and the US with respect to society, consumer behavior, business etiquette, attitudes and mindsets and ethnic groups • Understand vaues important to Americans and Utilize politically correct language • Know US state abbreviations and capitals • Be able to calculate times for different US time zones.	Reference current culture and communication training (CCT) skills verification procedures	• Ongoing through the language monitoring process which includes the required elements of: • Objective performance thresholds • Auditable documentation • Corrective action for individuals who fail • Written knowledge measure

Table 3: Goal: Customer and Client Satisfaction

Measures What are your outputs and accomplishments?	**Actions** What actions will you take to achieve results?	**Owners**	**Progress Update**
Achieve targets each month: VS> = 70% ODS<10% Case age(% cases closed in 7 days)>70% ASA<=2 min	Feedback on each survey implementation transaction monitoring process Daily review of active cases Implement callbacks appointment during high call volume	 Supervisors Supervisors Supervisors Ops mgrs	

Service level>70% Abandoned calls<5% Transaction monitoring accuracy>90% Case reactivation<5% KB articles created >= 4 per engineer per month Client relationship for assigned clients Client satisfaction survey score = 4 or 5	Implement transaction monitoring process Review monthly with SEs Timely understanding and resolution of any client issues	Supervisors Supervisors AVP Operations	

Table 4: Goal: Process Improvement

Measures What are your accomplishments?	**Actions** What actions will you take to achieve results?	**Owners**	**Progress Update**
Institutionalize infrastructure processes Transaction Monitoring Transaction Categories Agent Scorecards & Team Tracker Outlier management Dashboards	Ensure audit of processes Take corrective action	Black belt/Ops Mgr Ops Mgr Black Belt Ops Mgr	
Two improvement projects	Identify improvement projects Train team Monitor implementation Monitor results	Ops Managers/ Quality Black Belt Ops Mgr/Black Belt Ops Mgr	
Implement Kaizen	Decide timeline and plan Launch ongoing R & R	Ops Mgrs/ Black Black Belt/ Ops Mgrs	

6.2 The Balanced Scorecard Approach

One of the requirements of the COPC Performance Management Systems is to define annual goals and targets. A goal sheet or balanced scorecard was developed based on approach given by Kaplan and Norton (1992). Cobbold and Lawrie (2000) outlined the role of Balanced scorecard as a strategic management tool in a company. Olveet. al. (1999) and Papalexandris et. al. (2004, 2005) have advocated use of balanced scorecard in formulating performance drivers or metrics and implementing it in a Greek software company. The balanced scorecard developed by the company contained goals on four quadrants: Customer and client satisfaction, Shareholders' Needs, Employee Needs and Process Improvement. The scorecards for customer and client satisfaction and process improvement are given in Tables 3 and 4 respectively.

6.3 Qresolve Scorecard

As part of the requirement on Performance Management, aQresolve scorecard for the engineers was prepared. It contained various metrics on the basis of which engineers were rated. The scorecard for each engineer was prepared every month. Based on their performance on the scorecard, performance incentives were paid out accordingly. Feedback is now given and documented every month on the basis of the scorecard metrics performance. Table 5 shows the scorecard developed for Qresolve.

Table 5: Qresolve Scorecard

Engineer name			
Supervisor name Manager name			
Metric	**Target**	**Definition**	**Weightage**
Efficiency	>= 90%	Average time agent occupied without an6y AUX for the	5

		staffed time	
Average Monitoring Score	>=75%	Average score for all call monitors for the engineer for the month	10
Accuracy	>=90%	Sum of defects divided by sum of opportunities per monitoring form	10
Overall satisfied	>=70%	Percent of surveys with very satisfied rating	10
Overall dissatisfied	<10%	Percent of surveys with dissatisfied and very dissatisfied rating	10
Case age	>=70%	Percent of cases closed (resolved or cancelled) in 7 days	10
Absenteeism	<=2 per month	Overall absenteeism	10
KB contribution	>=4 per month	Number of approved internal KB contribution	5
Written test	>= 75%	Written test scores for self assessment	5
Sales conversion	>= 15%	Number of sales as a percent of cases created	15
Professionalism		Activities getting completed, adhered and feedback	10
Total Score			100

7. Results and Conclusions

After implementing the COPC actions, the subsequent audit showed a definite improvement in the COPC standard items as can be seen from table 6.The percentage on complete items increased from 67% to a high of 87%. Finally, to ensure that the benefits achieved may be sustained a business continuity plan was put in place. The plan had clearly defined roles and responsibilities for various functions. Scope and objectives were outlined. Other components of the plan included action and task lists, guidelines for team managers, security, transport, emergency expenses and post disaster care.Quality Assurance practices in service industry are continuously evolving. Many of these practices are adopted from the manufacturing industry. Quality assurance in the BPO industry is now established to a large extent. Many of the practices have now been standardized across companies. The COPC Performance Management System in particular is one of the most commonly used standards and has helped spread best practices across the industry. The case study company Quatrros initiated and made substantial progress in consistently implementing COPC.

Table 6: Qresolve Scores

COPC Standard Item	Qresolve	Remarks / Status
1.1 Statement of Direction	3	
1.2Strategic and Annual Planning Processes	3	
1.3 Business Strategies and Plans	3	
1.4Reviewing Performance	2	Performance review needed
1.5Managing System Review	2	Comprehensive management review needs to be done
2.1Developing New CSP End-User Servicing Capabilities	3	
2.2Implementing New Products, Services, Programs and Clients	2	Approach needs to be demonstrated in next transition
2.3Process Control	3	
2.4Process Improvement	3	Six Sigma process needs to be deployed
2.5Process Audits	2	Audits need to be initiated
2.6Transaction Monitoring	3	
2.7Staffing and Scheduling	3	
2.8Contingency Planning	2	BCP to be tested
2.9CUIKA	3	
2.10Data Security	3	
2.11Data & Information Availability & Update	2	Process needs to be audited
3.1Defining Jobs	3	
3.2Recruiting and Hiring	3	

3.3Training and Development	2	Approach needs to be documented
3.4Verifying Skills & Knowledge	2	Develop verification of all skills
3.5Staff Performance Management	3	
3.6Compensation & Recognition	3	
3.7Work Environment	3	
4.1Client satisfaction & Dissatisfaction	3	
4.2End User Satisfaction & Dissatisfaction	3	
4.3Service & Quality Performance	3	
4.4Key Supplier Performance	1	SLAs need to be defined
4.5Process-Level Efficiency	3	
4.6Resource Utilization	3	
4.7Staff Attrition	2	Approach needs to be documented
4.8Staff satisfaction, Absenteeism and Safety	2	Staff satisfaction to be initiated
4.9Achieving Results	2	Formalize Table F
Percentage Complete	**86%**	

(Source: Quatrro BPO Global Business Solutions)

The authors would also like to emphasize that COPC in conjunction with Six Sigma in a BPO could yield a lot of benefits as in the case of Quatrro. For both these approaches, customer satisfaction and data provide an objective benchmarking criteria. Both use process control and process improvement to drive performance. For service sectors, where service and quality measures are less tangible, Six Sigma needs definitive process mapping and COPC provides a definitive process mapping.Six Sigma needs data as its foundation. COPC in addition to providing valuable data also specifies a set of standard metrics.COPC provides the specific Business Process Management framework that serves as a foundation for Six Sigma and Six Sigma, in turn, provides the continuous organization-wide disciplineand focus to sustain improvement. In Quatros, Six Sigma infrastructure processes were defined and some Six Sigma projects could be successfully completed as COPC provided the Business Process Management framework with the appropriate measures and processes.

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Corporate Material

COPC Reference Documents

Six Sigma Project on Customer Satisfaction Improvement

Web Resources

www.copc.com

www.isixsigma.com

www.quatrro.com

Biography

Sunil Sharma is Professor at the Faculty of Management Studies (FMS), University of Delhi, Delhi in the area of Production and Operations Management for more than two decades. He received his PhD in Total Quality Management from the Faculty of Management Studies, University of Delhi. He specializes in TQM, TPM and Supply Chain Management in which areas he has presented papers at many international and national conferences. He received UGC Research Award in 2003-05 to work on Supply Chain Management Practices in India based on which he published a book. He participated in the ITP (International Teachers Programme) at Kellogg School of Management, USA. Recently, he attended GCPCL, a programme for world teachers in management at Harvard Business School, USA

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