



Office of Inspector General | United States Postal Service

## RARC Report

# Improving the Customer Experience with USPS Customer Care Centers

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# Executive Summary

Think about the last time you called a company with a customer service question: Were you satisfied with the result? If you are a typical American, you did not want to wait on hold more than five minutes and the most important part of the interaction was getting your issue resolved quickly. How do these expectations stack up against the Postal Service call center experience?

The U.S. Postal Service Customer Care Centers (CCCs) received roughly 60 million calls last fiscal year. The Office of Inspector General (OIG) analyzed customer surveys administered by the Postal Service after completion of these calls. Nearly 90 percent of respondents were satisfied with their agent, but one in three was not satisfied with the CCC experience. The lower satisfaction with the overall experience may be a result of an average wait of 13 minutes or the fact that less than half of those who spoke to an agent were able to solve their problem. Drawing on survey insights; interviews with Postal Service management, supervisors, and CCC agents; observations of CCC operations; and interviews with external call center managers, the OIG focused on four ways the Postal Service could improve the customer experience:

1. Preventing calls with better information and fixing underlying issues;
2. Decreasing customer effort when calling the CCCs;
3. Shortening the wait to speak to an agent; and
4. Improving the ability of agents to solve problems on the spot.

The OIG's research also identified a business arrangement that could affect the overall customer experience.

If the Postal Service addresses underlying issues that cause customers to call, it avoids customer frustration at the get-go and provides a better overall experience. It could also continue to make the call process easier with a user-friendly automated menu system and quicker connections to agents. Finally, the customer will be more satisfied if agents have the tools and organizational support to answer questions and solve problems. The Postal Service seems to be moving in the right direction to improve the CCCs, and this report offers some additional

## Highlights

Nearly 90 percent of customers were satisfied with Customer Care Center (CCC) agents, but one in three was not satisfied with the overall experience.

The Postal Service cannot handle the current CCC call volume, a problem that could worsen with parcel growth.

Making it easier for customers to get answers, including reducing the wait to speak to agents, will improve customer satisfaction.

Agents need new tools and organizational support to empower them to resolve customer issues.

solutions to pave the path toward a more convenient, more satisfying customer experience.

## What the OIG Recommended

We recommended management:

- Evaluate whether efforts to make package tracking messages more customer friendly are reducing unnecessary calls to the CCCs.
- Expand use of call back technology to reduce customer wait times on hold and abandoned calls.
- Develop and implement a CCC staffing plan to decrease customer wait time to speak to an agent.
- Establish a cross-organizational mechanism to keep CCC staff aware of and trained on product changes that might lead to customer calls.

# Observations

## Introduction

Trying to track a package? Need to schedule a redelivery? You can accomplish these tasks at USPS.com. But if you prefer to get the information by phone or have a more complex issue that you need to discuss with someone, you are not alone. In fiscal year (FY) 2017, more than 60 million people called 1-800-ASK-USPS or other postal customer service numbers. The majority used the automated system to seek information, but 19 million callers attempted to speak to a customer service agent. Of those, only 11.5 million successfully reached one. Noting this issue, the Office of Inspector General (OIG) examined the customer experiences associated with the Postal Service's Customer Care Centers (CCCs). We found that customers praise the agents once they get to them, but callers think the overall process is difficult, and they often end the call without solving their problems.

## Objectives, Scope, and Methodology

The OIG's objective was to understand the customer experience with the CCCs and suggest ways to improve it. Our research helped us narrow the focus of our paper to four opportunities for improving the customer experience:

1. **Call prevention.** How can the Postal Service help the customer get the right information without needing to speak to an agent?
2. **Customer effort.** How can the Postal Service decrease the effort customers put forth when calling the CCCs?
3. **Customer wait time.** What can the Postal Service do to shorten the wait to speak to an agent?
4. **Issue resolution.** What can the Postal Service do to increase agents' ability to resolve issues?

We limited the scope of our research to calls placed to the CCCs and did not study other methods of contact, such as email. The Postal Service is currently updating the automated menu system, often referred to as Interactive Voice

Response (IVR). Accordingly, we analyzed data from the past year to glean general feedback on the system, but because of the fluid nature of the changes, the OIG did not trace and verify customer paths to determine if each was optimized.

To meet our objectives, we pursued a three-pronged methodology:

1. **Analysis of CCC statistics and customer surveys.** We analyzed call volume, call types, and other CCC metrics. We reviewed results from USPS surveys conducted in FY 2017, including customers' narrative comments, commonly referred to as verbatims.
2. **Interviews with Postal Service management and operational observations.** The OIG visited the four CCCs to observe operations and had numerous discussions with CCC staff and managers on-site and at headquarters. We focused not only on current operations but emerging initiatives to improve the customer experience.
3. **Interviews with external call center managers.** In order to gather best practices, we spoke with a dozen call center managers from state and federal government agencies, participated in intergovernmental contact center working groups, and visited an ecommerce call center.

We found that customers were satisfied with CCC agents, but many thought the process of connecting to an agent was difficult. Combined with disappointing call outcomes — many customers were unable to solve their problems — it is not surprising that ultimately one-third of customers were not satisfied with their CCC experience.

## Scope of CCC Operations

When a customer calls the Postal Service's customer service number, they first go through an automated system developed and finetuned by CCC management. Customers can seek answers by selecting menu options, or they can ask to transfer to an agent. The Postal Service insourced CCC operations five years ago, so all agents are Postal Service employees.<sup>1</sup> The CCCs are staffed by roughly 1,300 agents in four locations. See [Figure 1](#) for a snapshot of CCC operations.

<sup>1</sup> The OIG audited CCC operations roughly one year after insourcing was completed. See OIG, *Customer Care Centers*, Report No. MS-AR-15-006, June 11, 2015, <https://www.uspsog.gov/sites/default/files/document-library-files/2015/ms-ar-15-006.pdf>.

Figure 1: FY17 CCC Statistics



<sup>+</sup> Number of Agents as of February 2018.

Source: OIG analysis of Postal Service data.

## Call Volume Growing, Overwhelming Agent Capacity

Last year, the CCCs received 60.7 million phone calls, a 24 percent increase from the previous year. [Figure 2](#) displays call volume trends since FY 2014, the first full year of insourced operations.

The Postal Service attributes the dip in call volume in FY 2016 to enhanced self-service options on USPS.com. However, it believes this dip was an anomaly because parcel growth overwhelmed the improvements. On its own, changes in parcel growth may not entirely explain the phenomenon as the rate of parcel growth slowed from 14 percent between FY 2015 and 2016 to 11 percent between FY 2016 and 2017. How parcel growth and other factors affect call volume may be worth monitoring in the future, especially since parcel volume is projected to grow yet another 7 percent from FY 2017 to 2018.<sup>2</sup> Growth in package volume could drive many more calls, including tracking inquiries, requests for redelivery, and reports of delivery issues.<sup>3</sup> These calls take longer to answer than requests like ZIP codes or post office hours.

The IVR system managed to handle a large portion of the call growth between FY 2016 and 2017, but the number of customers wanting to speak to an agent overwhelmed the CCCs, leading to almost double the number of abandoned calls in one year. The abandon rate — the number of abandoned calls divided by the total number of calls put through to the agent queue — was nearly 40 percent in FY 2017.<sup>4</sup> High abandonment may be a result of long waits. The average wait time in FY 2017 topped 13 minutes, although wait times varied greatly by call type and have stretched to nearly two hours on occasion.<sup>5</sup> Are these long waits affecting customer satisfaction with the CCCs? The OIG turned to the Postal Service's customer surveys to find out.

<sup>2</sup> See Postal Service, *United States Postal Service FY2017 Annual Report to Congress*, December 29, 2017, <https://about.usps.com/who-we-are/financials/annual-reports/fy2017.pdf>, p. 7 and Postal Service, *Fiscal Year 2018 Integrated Financial Plan*, <https://about.usps.com/who-we-are/financials/integrated-financial-plans/fy2018.pdf>, p. 5.

<sup>3</sup> "Interview with the Postal Service managers of Customer Contact Internal and Contract and the Business Intelligence Unit, April 2, 2018.

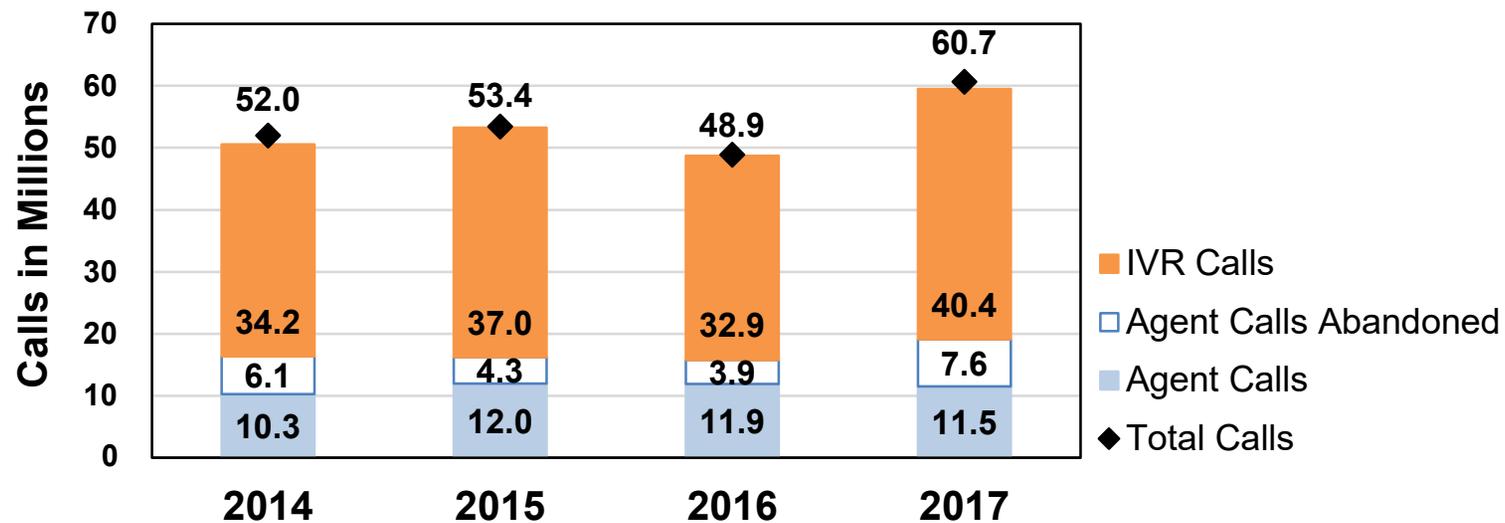
<sup>4</sup> Putting CCC metrics into perspective is challenging because many companies and agencies do not share this information. A survey of federal contact centers from 2011 shows that agencies vary widely on performance goals and the Postal Service's call volume greatly exceeds that of most government entities. The most commonly cited goal for abandon rate was 5 percent or less. See report prepared for the General Services Administration, Office of Citizen Services and Innovative Technologies, *2011 Federal Contact Center Survey*, September 30, 2011, [https://s3.amazonaws.com/digitalgov/\\_legacy-img/2014/07/2011-Federal-Contact-Center-Survey-Final-Report-Sept30th2011-Prepared-for-GSA-OCSIT.pdf](https://s3.amazonaws.com/digitalgov/_legacy-img/2014/07/2011-Federal-Contact-Center-Survey-Final-Report-Sept30th2011-Prepared-for-GSA-OCSIT.pdf), p. 14.

<sup>5</sup> OIG analysis of Postal Service data.

Figure 2: CCC Call Volume, FY14 - 17

**GROWTH IN CALLS FROM FY16 TO FY17 INCREASED ABANDON RATE**

Total calls increased by nearly 12 million calls last year. The IVR system handled 7.5 million additional calls, but agent calls decreased slightly. This means that more customers abandoned their calls.



Note: Total Calls are not necessarily equal to the sum of IVR Calls, Agent Calls, and Agent Calls Abandoned. First, there are three types of abandoned calls (calls abandoned during the transfer to the IVR, calls abandoned while transferring to the agent queue, and calls abandoned while waiting for an agent). The Postal Service CCCs, like most call centers, focus on calls abandoned while waiting for an agent, which is depicted above. Second, some Agent Calls may be counted twice if the customer is transferred to a new agent because the first does not specialize in the customer's issue.

Source: OIG analysis of Postal Service data.

## Survey Says

To measure customer satisfaction with the CCC experience, the Postal Service surveys callers who spoke to an agent and those who solely used the automated, IVR system.<sup>6</sup> It asks rating scale, multiple choice, and yes or no questions, which the OIG probed for quantitative insights. We first reviewed the surveys and summary statistics from all 182,787 agent surveys and 56,332 IVR surveys from FY 2017. Next, the OIG conducted regression analysis on the agent surveys to identify key drivers of satisfaction. The surveys also provide customers the opportunity to leave narrative comments, which formed the basis of our qualitative insights via text analytics.

### Quantitative Analysis: How Do Customers Rate the CCCs?

#### *It Is Not Easy to Reach an Agent or Solve a Problem*

Customer survey responses show that agents are the highest rated aspect of the CCC experience. Respondents were less satisfied, however, with the effort needed to get through the IVR or reach an agent, their inability to solve their problems, and the overall experience. In summary, survey responses indicate that:

- **Customers gave their agents high marks.** More than 80 percent of respondents rated their agents positively in categories such as ability to directly answer questions, courtesy, and overall quality of service.
- **The overall process was not easy.** When asked how much effort they had to put forth when calling the CCCs, only 30 percent of agent respondents and 47 percent of IVR respondents rated their experience as low effort. This may be the result of difficulty navigating through the automated, IVR system, which is the first point of contact for all CCC calls, even those eventually connecting to an agent.

Although 82 percent of IVR respondents said it was ultimately clear where menu choices would take them, 35 percent said they had to repeat the options or selections, and only 68 percent said it was simple to complete their task. These survey responses show there is still room for improvement to the automated, IVR system.

- **Customers were not satisfied with wait times.** Although the surveys did not explicitly ask for customer perception of wait time — which topped 13 minutes last year — only 67 percent of agent respondents said they were satisfied with the call length required to solve their problem, and only 50 percent of agent respondents felt the call length was appropriate to accomplish their task. Only 47 percent said it was very or somewhat easy to reach an agent. This problem may be even greater than survey responses indicate: Customers who hang up while waiting to speak to an agent — 7.6 million in FY 2017 — are not surveyed.
- **Many customers were unable to solve their problems.** More IVR respondents (56 percent) accomplished their task than agent respondents (43 percent), perhaps because customers chose to speak to an agent for more difficult queries. But regardless, a sizable population ended their CCC experience without answers. This inability to resolve issues may be another reason customers reported that the CCC experience is difficult.
- **One-third of customers are not satisfied.** Only 60 percent of IVR respondents and 67 percent of agent respondents were satisfied with their overall CCC experience.

<sup>6</sup> The Postal Service has a Customer Insights survey program that measures satisfaction at various touchpoints and rolls results from these touchpoint surveys into a larger index. For more on the Customer Insights Index and the Postal Service's customer experience survey program, see OIG, *Postal Customer Satisfaction: A Primer of Four Surveys*, Report No. RARC-WP-17-010, August 28, 2017, <https://www.uspsaig.gov/sites/default/files/document-library-files/2017/RARC-WP-17-010.pdf>.

### ***Issue Resolution is Key Driver of Satisfaction***

To understand what drove customer satisfaction, the OIG performed regression analysis on the survey responses. See [Appendix A](#) for our methodology. We found significant factors that drive customer satisfaction include:

- **Issue resolution.** If the issue was resolved, customers were more satisfied.
- **Agent knowledge.** The agent's ability to directly answer questions drove a more positive customer experience.
- **Previous contact.** More call attempts led to lower levels of satisfaction. This is an indicator of failure to resolve issues in previous calls.
- **Time of day.** People who called earlier in the day, perhaps experiencing shorter waits, were more satisfied than people who called later in the day.
- **Call type.** Satisfaction varied depending on why people called. For instance, customers who called with change of address questions were more likely to be satisfied than if they called about pricing.

What were the biggest drivers of customer satisfaction? Resolving a customer's issue was the single biggest driver of customer satisfaction. OIG analysis indicates resolving a customer's issue increased his or her satisfaction by 14 percent. Similarly, having a more knowledgeable agent increased a caller's satisfaction by 8.2 percent. However, repeat callers were less satisfied. For example, a second-time caller was 3.8 percent less satisfied than a first-time caller, all else being equal. These insights, combined with only 43 percent of agent customers solving their issues, present a huge opportunity to the Postal Service: Resolving more issues on the first call could significantly improve the customer experience.

### **Qualitative Results: What Do Customers Say about the CCCs?**

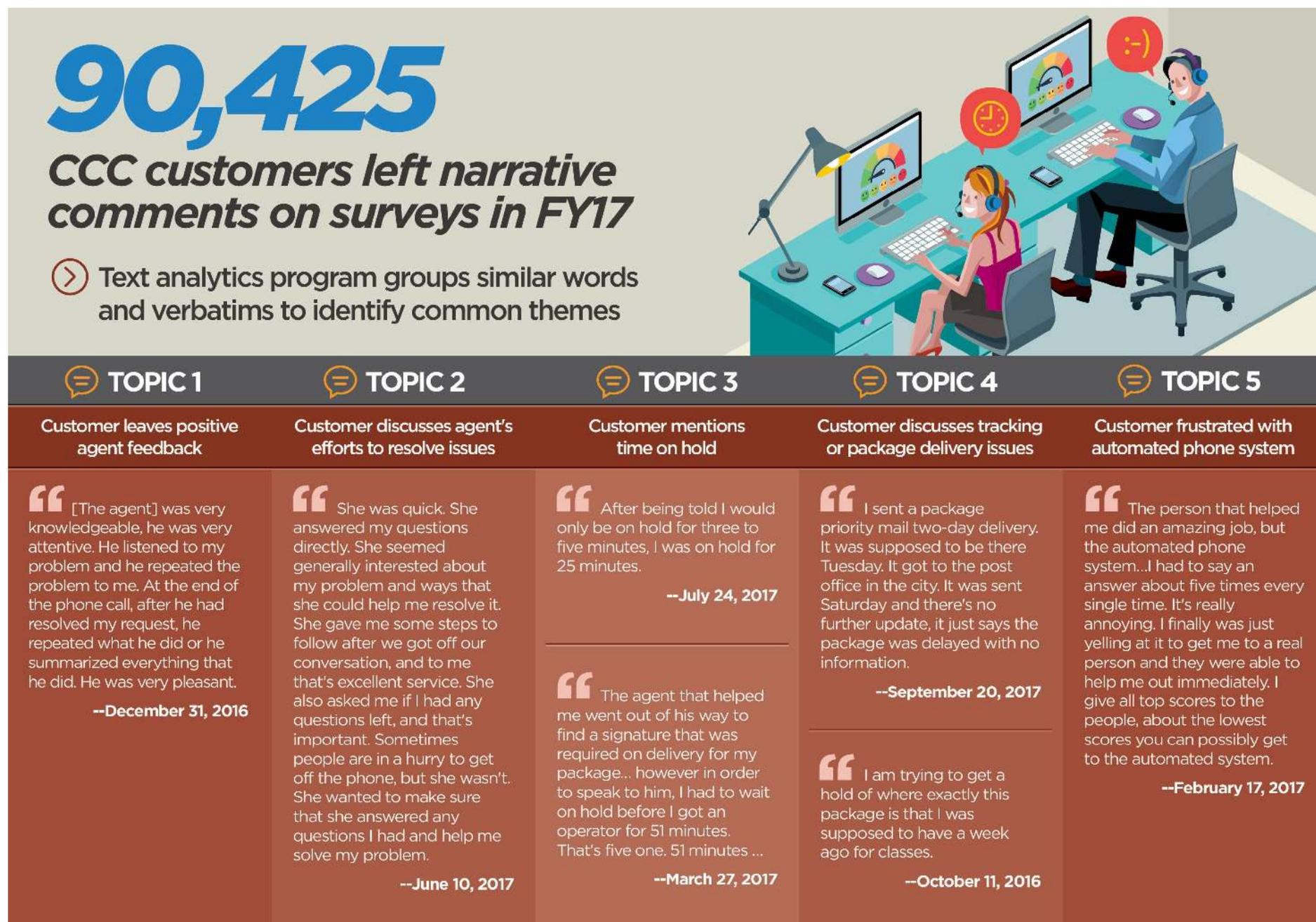
In addition to rating various aspects of their CCC experience, last year customers left 90,425 narrative comments.<sup>7</sup> We used text analytics to group words together to identify common topics or themes. See [Figure 3](#) on the next page. The methodology is explained in [Appendix B](#). The topics reinforce the pain points and drivers of satisfaction that emerged from the quantitative analysis of survey responses and point the Postal Service toward concrete opportunities to address.

- Topic 1 shows that most narrative comments praised the agent, which is consistent with high scores given to agents on quantitative parts of the surveys.
- Topic 2 highlights that customers want agents to solve their problems.
- Topic 3 illustrates customer frustration with time spent on hold.
- Topic 4 reveals that tracking issues are commonly discussed topics, which could be an area of focus for preventing calls.
- Topic 5 illustrates that customers are frustrated with the automated, IVR system.

The OIG's analysis of customer surveys illuminated four areas of focus for efforts to improve the customer experience with the CCCs. First, the Postal Service could try to head off calls entirely, either by fixing some of the reasons customers call, such as parcel tracking issues, or by giving customers other ways to find the information. Second, the Postal Service could make the entire process easier with improved navigation and features within the automated, IVR system. Third, new staffing solutions could alleviate wait times and a large source of frustration. Lastly, the Postal Service could focus on ways to solve more customer problems on the spot by empowering agents. The following sections explore these areas in more detail and suggest solutions for improving the customer experience.

<sup>7</sup> The 90,425 comments are from both the agent and IVR surveys. The OIG grouped them together after examining a random sample of comments from each survey and noting that many agent customers also commented on their IVR experience prior to reaching the agent.

Figure 3: Most Common Topics in Customer Comments, FY17



Source: OIG analysis of Postal Service data.

## An Ounce of Prevention . . . and a Pound of Cure

Customers would be obviously happier if they did not have any questions or concerns in the first place, and the Postal Service could provide a better overall experience if it did not have to answer so many calls. Identifying why customers call and fixing those underlying reasons could decrease call volume. Another opportunity is to provide more options to get answers without speaking to an agent.

### Prevent Customers' Need to Call

- Address reasons why customers call
- Use plain language for package tracking information
- Offer robust, online self-service options

### Address Reasons Why Customers Call

Any initiative to improve service and delivery performance could make a dent in call volume. For example, efforts to improve scanning accuracy could decrease some of last year's 2.9 million people who called about domestic tracking issues.<sup>8</sup>

### What the Postal Service Is Doing

**Call deflection reports.** The CCCs have an effort underway to get to the bottom of why people call. Last year, they started analyzing calls that resulted in “cases” — issues that CCC agents were not able to solve that were sent to local post offices for investigation, such as missing parcels. By cross-referencing types of cases by postal station, area and district managers could look for patterns to identify where problems originated. This year, call deflection reports will go beyond cases and include analysis on all calls. They will give insight on issues ranging from complaints about facilities, like lobby appearance and wait times in line, to packages left in unsecured areas, or instances where packages are not

delivered although the customer was home.<sup>9</sup> Now the Postal Service can create robust systems across the organization to ensure the information spurs actions to reduce calls.

### Potential Opportunities

To generate new ideas for improving the postal experience, the Postal Service could implement a program for postmasters, carriers, and delivery management to experience CCC operations firsthand. As part of our work to learn best practices from other contact centers, the OIG team visited an ecommerce center. Managers there shared that the company has a quarterly program that brings fulfillment center staff to the contact center to hear the voice of the customer.<sup>10</sup> They credit this program with giving fulfillment center staff a better appreciation for customer concerns, such as returns that had not been processed nor credited to their accounts. Consequently, fulfillment centers re-prioritized the processing of returned goods instead of focusing solely on shipping new orders. A similar program, even just listening to relevant recorded customer calls in pre-shift meetings, called Stand Up Talks, could give delivery personnel new insights into processes that unintentionally result in calls.

### Use Plain Language for Package Tracking Information

Currently, more than 80 percent of agent calls are categorized by the CCC as “Where is my stuff?” with tracking inquiries specifically accounting for 25 percent of agent calls.<sup>11</sup> These calls take longer to handle on average, meaning that agents can handle fewer calls per hour.<sup>12</sup> Although many of these calls could be for lost or missing items, some might arise from simple confusion about when to expect a package.

### What the Postal Service Is Doing

**Changing confusing language.** The Postal Service is trying to clarify its tracking information and provide more details that are meaningful to the customer. It has

<sup>8</sup> For example, a training module from April 2017 stressed that inaccurate scans can cause customers to reach out for answers to the CCCs, at a cost of about \$14 per call. Initiatives to improve service are described in *Postal Service, FY2017 Annual Report to Congress*, pp. 16-18. Another example is improvements to the change-of-address (COA) process, which could head off some of the nearly 350,000 COA calls. Data on call volume is derived from OIG analysis of Postal Service data.

<sup>9</sup> Interviews with Postal Service specialist in Customer Contact Tools and Applications, February 13, 2018 and April 20, 2018. The reports will capture 47 different reasons customers contact the CCC and will eventually trace reasons by carrier route, shipper, and other attributes. It will enable robust data analytics to identify and solve problems before they result in calls.

<sup>10</sup> Contact centers answer customer questions via multiple channels, such as phone, live chat, email, and mobile applications. The CCCs currently answer customers via phone, so they are call centers.

<sup>11</sup> OIG analysis of Postal Service data.

<sup>12</sup> The average handle time (AHT) of a “Where Is My Stuff?” call is 8 minutes, 36 seconds (8:36). Other call types require less AHT, including Hold Mail (6:33), Hours and Locations (6:28), and ZIP Code (6:04). AHT includes both the time the customer is speaking to an agent and the short wrap-up work the agent completes after the caller hangs up. OIG analysis of Postal Service data.

a Tracking Customer Experience work team, that includes someone from the CCC team, which uses focus groups and other customer tests to make package tracking language more customer friendly.

### **Potential Opportunities**

Continued refinements to provide tracking information in language the customer can easily understand could reduce the number of calls the CCCs receive. Some scan language is meaningful in an operational setting, but not necessarily for the customer. Despite the Postal Service's efforts to improve tracking messages, CCC call volume has not declined. In fact, some language changes have the opposite effect. For example, in July 2017, the Postal Service changed the tracking message, "Undeliverable as Addressed" (UAA), to "Insufficient Address" or "Return to Post Office Not Attempted." The CCCs experienced a spike of 12,000 to 15,000 more related calls. The new terms do not give the customer information on whether a redelivery would be automatically attempted or what action customers should take. In addition, the current package tracking interface does not give the customer a direct inquiry option to report problems, which might prevent calls to the CCCs. Measuring the effect of changes to tracking messages on CCC call volume could give USPS immediate insight into the effectiveness of new messages and ensure that new messages are meaningful and customer friendly.

### **Offer Robust, Online Self-Service Options**

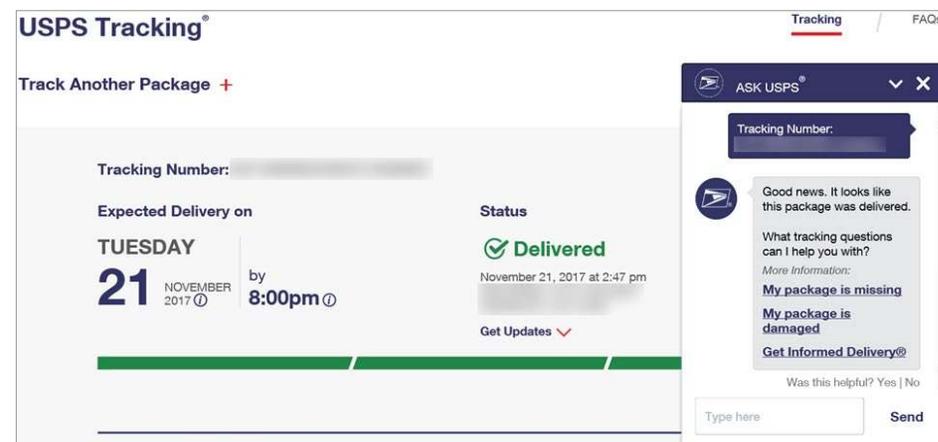
Many customers first turn to USPS.com to solve their problems and have no need to proceed further. Self-service options allow customers to get answers quickly and on their own schedule.

### **What the Postal Service Is Doing**

**Informed Delivery.** This service previews what mail and packages residential customers will receive each day. Not only does it set customer expectations, it includes a feature that allows users to report previewed mail that does not arrive, giving customers a way to notify the Postal Service of delivery issues without calling the CCCs.

**Chatbot.** The Postal Service piloted a chatbot on its website from November 14 through December 4, 2017, and again from January 30 to March 30, 2018. See Figure 4 for a snapshot. Chatbots use artificial intelligence to simulate conversations and answer questions.<sup>13</sup> In this case, the chatbot helped customers track packages with pre-programmed responses. During the experiment, the Postal Service tried offering the chatbot to everyone who visited the tracking page and later offered it to only those who sought more tracking information. The Postal Service is evaluating the results to determine if a more robust chatbot would decrease calls to the CCCs and warrant future funding.<sup>14</sup>

**Figure 4: USPS Chatbot**



Source: "USPS – IVA: Intelligent Virtual Agent" briefing, presented January 17, 2018.

### **Potential Opportunities**

The CCCs pick up the slack when online self-service options fail. Although managers said there is some intra-organization cooperation — for example, the CCCs provide content for the website's Frequently Asked Questions — formalizing the arrangement could bring the Postal Service huge benefits. Website and CCC managers could meet regularly to discuss website traffic statistics, trends in CCC call types, and results from their respective surveys, particularly customer comments. The OIG noted that many comments discuss

<sup>13</sup> Chatbots differ from live chat. Chatbots answers are machine-generated, whereas live chat involves an agent.

<sup>14</sup> Interview with Postal Service specialist in Customer Contact Tools and Applications, April 20, 2018.

issues the customer has with the website, which may be valuable input for improvements. Similarly, we witnessed agents talking customers through website navigation, another reason the CCCs might be a good source for refinement ideas. Website traffic statistics may give CCC managers an idea on issues that are the most timely to customers, which could help them coach agents.

## Keep It Simple

If customers cannot find answers to questions online, they can turn to the CCCs. However, it is often difficult for them to get through to an agent. When they place calls, they first encounter the automated, IVR system, which can answer many of their questions if they work out how to navigate it. If they prefer to speak to an agent, they must then wait their turn. The OIG saw two opportunities for the Postal Service to make this part of the CCC experience simpler for the customer. First, improvements to make the automated, IVR system more user friendly may decrease customer frustration. Second, the Postal Service could use technology to call customers back rather than making them wait on hold.

### Reduce Customer Effort

- Offer a user-friendly IVR system
- Expand use of call back technology

## Offer a User-Friendly IVR System

“Help! Agent! Operator!” Anyone who has ever been trapped in an automated menu system knows the frustration of trying to figure out the magic word to connect to an agent. To decrease customer effort and confusion, the Postal Service recently began an effort to make its IVR more user friendly. The CCC team mapped every IVR path — meaning they pretended to be the customer and selected each menu option to see where it led — to identify areas to redesign. USPS will continue to refine the system through Spring 2019.

## What the Postal Service Is Doing

**Changing philosophy from containment to self-service.** Even though it might increase call volume, the Postal Service is making it easier for customers to request access to agents. Calls used to automatically terminate after the customer was given tracking information. Now, the IVR will give the customer the option to connect to an agent.<sup>15</sup>

**Natural language.** The Postal Service is now using Natural Language Processing to accept verbal customer inputs rather than forcing them to use a phone keypad. This is more convenient for customers and makes it easier to enter long tracking numbers and addresses with alphanumeric information. The Postal Service also increased the time callers are allotted to enter tracking information so that the system does not time out as customers look for and enter long tracking numbers.

## Potential Opportunities

The Postal Service could take some of the frustration out of starting a case investigation — and decrease requests for agents — by enabling customers to accomplish this task within the IVR. Consider a package that the system says was delivered, but the customer has not received. Currently the customer has two options: wait to have an agent enter a “case” for the local post office to investigate or hang up and create the same case via USPS.com. Both options require additional work for the customer, who must either wait or switch systems and reenter data. A third option would allow the customer to create his or her own case within the IVR. The system could automatically transfer the package number into a case management system, ask the customer for an email address or phone number for follow up, and detail what to expect next. This option gives the customer the same outcome as speaking to an agent but without the wait.

## Expand Use of Call Back Technology

After navigating through the IVR system and requesting to speak to an agent, customers are given an estimated wait time. Most callers wait on hold or try back later. However, some are offered a call back in lieu of waiting.

<sup>15</sup> Interview with Postal Service manager of Customer Contact Tools and Applications, April 9, 2018.

## What the Postal Service Is Doing

**Virtual Hold Technology.** Approximately 25 to 30 percent of daily calls are handled by virtual hold technology (VHT), which holds customers' place in line and calls them back when an agent is available. Due to the cost of the service — 40 cents per call — and insufficient staff to handle calls, VHT is currently not available for every call type, and it is only turned on at certain times of the day.<sup>16</sup> VHT calls are roughly one minute shorter than non-VHT calls because agents do not have to “de-escalate” customers angry about lengthy hold times. Customers can do other things while waiting for the return call, perhaps decreasing the perception that their issues took too much time and effort to resolve.

## Potential Opportunities

The Postal Service could expand the use of this convenient technology by providing updated wait times to customers on hold. At each wait time update, it could give the customer the opportunity to request a call back rather than remain on the line. If staffing levels are sufficient, it could also expand VHT to all call types and all calls with a wait time over five minutes. Finally, the Postal Service could offer customer-selected time slots for call backs, which might be useful at the end of the day or if wait times exceed one hour.

## Help Wanted

The Postal Service has a goal of answering 80 percent of calls within 40 seconds. Given the number of customers who abandon their calls and long waits to speak to an agent, it is clear the Postal Service does not have sufficient staff to meet this goal. The OIG identified four levers to achieve sufficient staffing levels. One is to increase the productivity of the existing agents. Second, the Postal Service could rebalance its workforce to better match skill levels to call types. Third, it could increase permanent staff. Finally, it could increase its flexibility to handle daily and seasonal surges. Any changes to the Postal Service's workforce strategies would, of course, have to fit within the limits of its collective bargaining agreements.

<sup>16</sup> VHT is offered for: Change of Address, Domestic Research, General Inquiry, Hold Mail, Hours and Locations, Inspection Service, International Tracking, Redelivery, Small Business, Stamps, Tracking, and Enterprise Customer Care cases. The Postal Service estimates these call types account for 85 percent of all calls. If wait time exceeds 1 hour 15 minutes or 1 hour 30 minutes, VHT is turned off based on the assumption that the caller would not remain available for the call back. VHT is turned off at 3 p.m. Eastern for the four most popular call types because some CCC shifts end at 4:30 p.m., and they need to clear the backlog. VHT is turned off for the other call types around 6 p.m. or when the system calculates sufficient time is available to handle the virtual queue before the phones close for the day. Interview with Postal Service manager, April 6, 2018.

<sup>17</sup> Agents typically handle more than one live chat customer at a time. The Postal Service's Business Intelligence Unit manager said in the private sector, agents can handle as many as six simultaneous chats, but even if postal agents could only handle three, it would be a 300 percent force multiplier. Interview, April 6, 2018.

## Staff to Answer 80 Percent of Calls Within 40 Seconds

- Increase staff productivity
- Rebalance workforce to match skill levels to call types
- Increase permanent staff
- Plan for peak periods

## Increase Staff Productivity

### What the Postal Service Is Doing

**Customer 360.** The Postal Service plans to roll out a new desktop application — called Customer 360 (C360) — to help agents answer customer questions. It will feature a Google-like interface and autofill for searches to make agents more productive. The new application also has live chat capabilities, which are popular with consumers and may increase agent productivity. Chat-trained agents can handle multiple customers at the same time.<sup>17</sup> The Postal Service has previously experimented with live chat in the CCC, and it is currently only used for the Postal Store, Informed Delivery, and Internet CCC.

### Potential Opportunities

**Qualification-based hiring.** The Postal Service currently selects CCC agents based on seniority, not qualifications; however, the most senior applicant might have a completely different skill set than those required to be an effective call center agent. The OIG reviewed numerous job postings for call center agents and found the following skills and qualifications were often cited:

- Relevant work experience in call center or customer service;
- Computer skills and comfort with technology;

- Problem-solving skills; and
- Ability to work in a fast-paced environment and multitask.

With so many callers waiting in the queue, an agent who has experience working with the public and can quickly and efficiently use a computer to look up information will likely be able to handle more calls than someone who is new to both customer service and information technology.

**Telework.** Evidence indicates that telework may also have a positive impact on productivity. When the Social Security Administration (SSA) piloted a telework program that included its call centers, its OIG found that teleworkers performed better than non-teleworkers, handling more calls per day through a combination of decreased average handle time and more time logged into the system.<sup>18</sup> Telework could also help CCC managers handle weather events, increase flexibility for offering last-minute overtime, and provide an employment perk that may attract top-tier candidates. The Postal Service could pilot a telework program at one site to assess productivity outcomes, both in terms of agent hours and in volume of calls handled satisfactorily as measured through a quality assurance program or customer surveys. While the Postal Service would have to consider the cost of additional training, equipment, liability, and management attention as well as implications for the collective bargaining agreement, the ability to answer more calls could improve customer satisfaction.

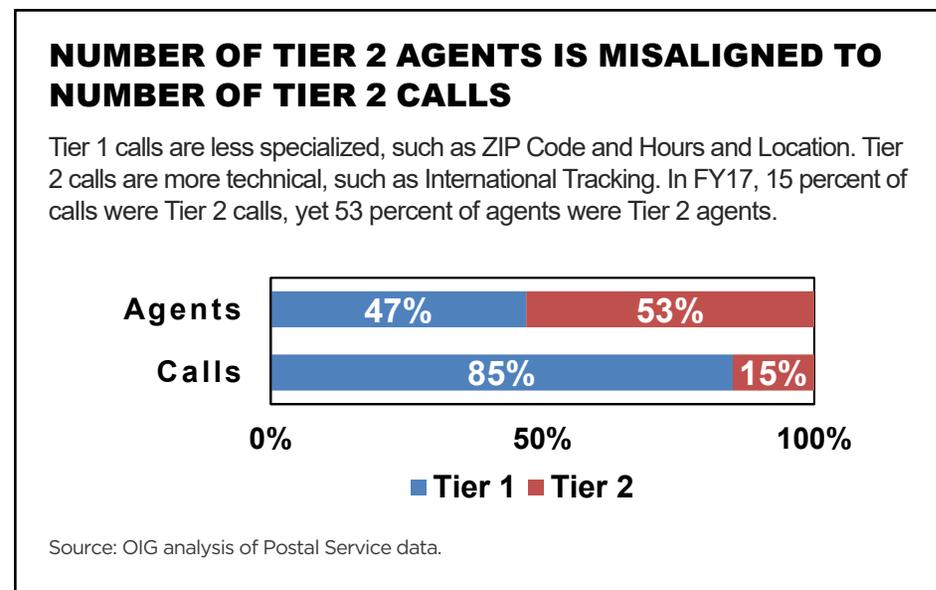
**Native Spanish speakers.** CCCs currently use Voiance, a language translation service, to answer questions for Spanish speakers. Spanish-speaking agents complained the service increases the length of the call because of consecutive, rather than simultaneous, translation and that the translations were imprecise.<sup>19</sup> The Postal Service could experiment with allowing Spanish-speaking agents to handle Spanish-speaking customers with the translation service available as a backup. Issues to be considered are how to route these calls, how to ensure

consistent quality, and how to manage them if supervisors do not speak Spanish. The Postal Service could consult with the SSA, which has employed bilingual agents for 15 years to meet its Spanish-language volume.<sup>20</sup>

### Rebalance Workforce to Match Skill Level to Call Type

Some issues — dubbed Tier 2 — are highly technical or have greater revenue potential.<sup>21</sup> Accordingly, specially trained agents, who are paid at a higher level, handle these calls. However, the Postal Service has more Tier 2 agents than are necessary to answer Tier 2 calls. See Figure 5.

**Figure 5: FY17 Tier 1 vs. Tier 2 Breakout by Agents and Calls**



<sup>18</sup> The SSA OIG did not compare customer satisfaction metrics. See SSA OIG, *The Social Security Administration's Telework Program and Its Effect on Customer Service*, Report No. A-04-17-50267, July 2017, <https://www.oversight.gov/sites/default/files/oig-reports/A-04-17-50267.pdf>, pp. 10-11. The Virginia Department of Taxation and the Department of Education's Federal Student Aid Information Center also use remote workers and could offer interesting case studies for piloting remote work.

<sup>19</sup> For example, a General Inquiry call translated into Spanish has an average handle time of 10:20 compared to 6:53 if handled in English. OIG analysis of Postal Service data. Spanish-translated calls account for only one percent of FY 2017 call volume, so any changes will not make a huge productivity impact.

<sup>20</sup> Interview with SSA, February 14, 2018.

<sup>21</sup> Tier 2 call types include Business Service Network, Domestic Research, Internet Customer Care Center Tech Support, Inspection Service, Small Business, Stamps, SureMoney, and USPS Tracking International.

## What the Postal Service Is Doing

**Additional Tier 1 support.** When no calls are waiting for Tier 2 agents, they answer Tier 1 calls.

## Potential Opportunities

Each time a Tier 2 employee handles a Tier 1 call, the Postal Service incurs an unnecessary cost. In addition, the mismatch carries over into wait times. Figure 6 is a photograph from the OIG's visit to the Wichita CCC in January 2018. It shows the average speed of answer that day was 15:03. However, Tier 2 callers waited just 2:41 compared to 18:04 for Tier 1 callers. Agents told us that customers with long waits often spend the opening part of the call complaining about the waits, so this imbalance not only costs the Postal Service money, it leads to customer frustration that lengthens Tier 1 calls. Future hiring could more clearly match historical trends to save the Postal Service money and handle the calls more efficiently.

**Figure 6: Wichita CCC Metrics, January 30, 2018**



Source: OIG.

## Evaluate Staffing Levels

According to the CCC Business Intelligence Unit manager, if call volume remains steady, more than 500 additional agents are needed to handle the CCC's goal of answering 80 percent of calls within 40 seconds.<sup>22</sup> The OIG used a staffing calculator to assess this estimate. Using industry standard expectations of agent availability, the calculator estimates that an additional 600 agents are required to handle peak volumes on a typical day.<sup>23</sup> With only about 1,300 agents on board and at current productivity levels, the CCCs cannot meet the required daily staffing profile of 1,900 agents.

## What the Postal Service Is Doing

**Overtime.** The Postal Service manages everyday call volume by authorizing a limited amount of overtime. It authorizes regular overtime of time-and-a-half pay, but it does not authorize penalty overtime of double pay.

## Potential Opportunities

**Onboard vs. authorized levels.** The CCCs are authorized 1,533 positions, but CCCs averaged just 1,323 agents in FY 2016 and 1,332 agents in FY 2017.<sup>24</sup> One reason for this chronic understaffing is that the agent hiring process is not an efficient way for the CCCs to achieve authorized levels. Call center sites advertise available positions on a set cycle, and, in some locations, positions can be open for more than a month before vacancies are advertised. Another difficulty with the current system is that positions of agents who move internally to other teams or go elsewhere within the Postal Service remain vacant until the next cycle begins, creating a shuffling effect that leads to constant vacancies. The Postal Service could evaluate the frequency of its cycles, use different standards for internal or external moves, permit managers to advertise positions based on known future departures, or even "over hire" to historical vacancy levels to try to bring the number of agents closer to authorized levels.

<sup>22</sup> Interview with Postal Service manager of the Business Intelligence Unit, April 6, 2018. The manager indicated that this number is for on-board personnel, not authorized positions.

<sup>23</sup> Assumptions for this calculation are based on Postal Service averages of: 60,000 calls per 12 hours and average handle time of 463 seconds. Other assumptions include the goal of answering 80 percent of calls in 40 seconds; shrinkage of 35 percent; and maximum occupancy of 85 percent. Shrinkage considers holidays, sickness, team meetings, coaching, and other factors. Occupancy refers to the amount of time agents are engaged in call-activity compared to login time. We used the tool available at <https://www.callcentrehelper.com/tools/erlang-calculator/>.

<sup>24</sup> These numbers are slightly inflated by temporary assignment of Sales Retention Team staff in December.

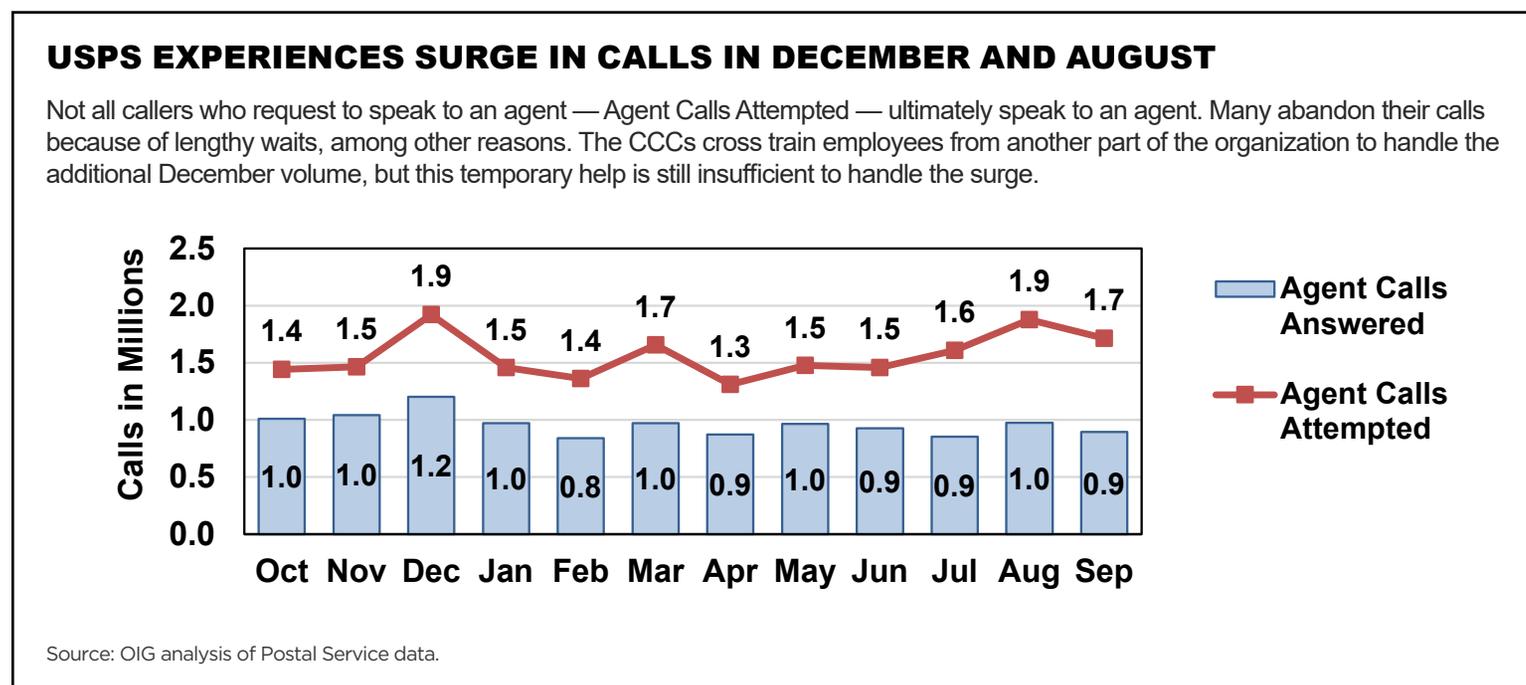
**Rehabilitation status employees.** The Postal Service also has an onboard vs. authorized disconnect with rehabilitation status employees.<sup>25</sup> Although USPS agreed to set aside 30 percent of CCC positions for employees in rehabilitation status, in February 2018, there were only 272 active rehabilitation status employees total, or about 20 percent of all CCC agents. One reason is that employees “fill” a position on paper while they are awaiting medical clearance to return to work, which can take up to a year.<sup>26</sup> The Postal Service could use historical data to “over hire” rehabilitation status employees by including a

planning factor for the average number of months it takes a newly hired employee to receive medical clearance to return to work. As onboard and authorized levels come closer, the Postal Service could reevaluate the planning factor in order to ensure efficient operations.

### Manage Daily and Seasonal Peak Periods

Call volume varies throughout the year, with seasonal surges in late summer and around the winter holidays. Figure 7 shows monthly call volume from FY 2017.

**Figure 7: Monthly CCC Call Volume, FY17**



<sup>25</sup> Rehabilitation status employees have experienced job-related injuries in other positions and have been reassigned to CCC positions. Wichita does not have any rehabilitation status employees because its positions are higher-level support, which are not filled by clerks in rehabilitation status.

<sup>26</sup> As of May 2018, 45 positions within the CCCs were “filled” on paper by employees who had not yet received medical clearance to return to work; many more rehabilitation status positions remain open. Interview with headquarters and site level managers, May 4, 2018.

## ***What the Postal Service Is Doing***

**Sales Retention Teams.** To handle surge during the winter holiday season, the Postal Service temporarily shifts personnel to the CCCs. In November, the Postal Service cross-trains employees from its Sales Retention Teams (SRTs) to handle the easiest calls during the holiday season.<sup>27</sup> Last year, the agency sent trainers and supervisors to 11 sites to train roughly 200 members of the SRTs in CCC operations. Feedback on this program was mixed. While it gave the queue a “lift,” it was insufficient to support call volume during the holiday peak and was difficult to manage: Only 50 of the temporary agents were still taking calls at the end of the holiday season.

## ***Potential Opportunities***

To collect best practices and understand how other call centers handle peak periods, the OIG interviewed managers from a dozen different government call centers, participated in intergovernmental contact center working groups, and visited an ecommerce contact center. We discovered many interesting ways to handle off-hour calls and predictable and unpredictable peak volumes on a daily or seasonal basis. One approach is to outsource some or all parts of call center operations, placing the burden of forecasting and management of peak periods on a contractor. A second approach is to staff for surge levels and find something else for employees to do during non-surge periods. A third option is to borrow employees from other parts of the agency or from another agency altogether. A final approach is to use temporary employees to handle surge. These approaches are discussed in more detail in [Appendix C](#).

## **Answering the Phone or Solving Problems?**

Customers and agents want to solve problems on the first call. However, the tools simply are not in place to do this for all questions. There are several avenues for the Postal Service to help solve more problems on the spot: empower agents with more information, better tools, and a “change agent” work atmosphere as well as keep the organization focused on what is important.

<sup>27</sup> SRT employees usually focus on retaining business customers, either through outreach to share information about new products and services or by calling business customers to gather data on customer preferences, sentiment, and habits. The CCCs use them as a resource during the holiday period.

## Solve More Customer Problems

- Keep agents informed of changes
- Give agents problem-solving tools
- Inspire a “change agent” atmosphere
- Focus organization on what is important

## **Keep Agents Informed of Changes**

### ***What the Postal Service Is Doing***

**Stand up talks, daily updates, and periodic training.** The Postal Service reviews trouble spots and conveys information about new products or changes in short daily training at the beginning of shifts, called Stand Up Talks. Agents can also consult their desktop knowledge management tool for an update on overnight changes. Agents also get sporadic trainings in groups about broad topics and quality assurance coaching as needed.

### ***Potential Opportunities***

Agents pointed out several gaps in their training that, if filled, could improve their ability to answer questions and resolve issues. They felt particularly unprepared to answer customer questions about product modifications and new services. For example, agents said they learned of changes to meter label solutions only when business customers called to ask questions. Others complained they did not have enough information to answer customer questions during the initial roll out of Informed Delivery. A formal mechanism to keep CCC management abreast of product changes and enhancements could ensure agents are prepared to answer customer questions.

Agents also identified a training gap for specialty call types, particularly those from business customers. They suggested refresher trainings and that more

agents should be trained across all specialty call types so that they do not have to transfer these calls, which can increase customer frustration and effort. An employee survey to gather training needs, validated by headquarters training staff, could identify other areas for future focus.

Finally, CCC employees noted the tension between time available to answer calls and time available for training. The Postal Service could experiment with delivering training in ways that fit better with CCC operations. Rather than pulling agents out of the call queue for lengthy training classes, management could use short, regular, interactive training — such as a quick video highlighting new or changed products or services with a quiz at the end — to help agents absorb the new information more efficiently.

## Give Agents Problem-Solving Tools

### *What the Postal Service Is Doing*

**Customer 360.** In addition to increasing agent productivity, C360 will provide agents a single point of access to multiple databases to ensure the best information is immediately available to agents and customers.

### *Potential Opportunities*

Agents said that limited access to certain applications affects their ability to immediately solve customer problems. For instance, they desire access to existing package tracking databases to help trace missing parcels.<sup>28</sup> The Postal Service could integrate data from these applications into the C360 desktop. This would reduce the need to search more systems, helping agents quickly solve problems.

## Inspire a “Change Agent” Atmosphere

### *What the Postal Service Is Doing*

**Change Agent Network.** The CCCs have a formal Change Action Network (CAN), with designated agents who champion ideas put forth on a whiteboard to management and then provide feedback to agents.

<sup>28</sup> Agents specifically mentioned the Product Tracking & Reporting (PTR) system, which gives package visibility and delivery status for packages and mail pieces with extra services, and the Web-based Automated Package Processing System Processing Result Log Message Analysis Tool (WEBAPAT), which would allow agents to review images of mail pieces. CCC agents also suggested permission to use the database that holds authoritative facilities information could help them better direct customers to their specific delivery unit. Similarly, being able to look up post office box account details could increase their ability to resolve customer issues. Agents felt their access was limited to these programs for one of two reasons: 1) It took additional time to log on, and therefore another, more easily accessed or integrated program was preferred; and 2) Some of the data might be sensitive, such as direct dial numbers for delivery unit staff. They suggested that these problems were surmountable with training on when and how to use the systems.

### *Potential Opportunities*

The CAN process is a great way for agents to raise issues, but it takes time. When the OIG visited the ecommerce contact center, we learned that its agents have an internal Twitter-like network for sharing good ideas and “intelligence” on weather or warehouse issues with everyone in real time. Something similar for the Postal Service, monitored by management, could increase CCC agents’ situational awareness and encourage agents across centers to build on each other’s ideas. It could help build a sense of urgency for problems and immediately engage management to strengthen solutions.

## Focus the Organization on What Is Important

### *What the Postal Service Is Doing*

**Success metrics.** The Postal Service recently changed the metric it reports to Congress and the Postal Regulatory Commission to gauge CCC success. It previously reported how satisfied customers were with the quality of service their received from the agent. It is now reporting customers’ overall satisfaction with their CCC experience. At the same time, it internally is stressing the importance of “First Contact Resolution,” or solving customers problems on the first call.

### *Potential Opportunities*

A designated lead metric can drive organizational behavior, so it is important to get it right. If the Postal Service decides to emphasize issue resolution, redesigning processes and business models could be necessary. Agents said that customers complain that they cannot get answers and feel like they are in a vicious cycle: calling local post offices, who refer them to the CCCs, who refer them back to local post offices. This causes repeat calls, customers frustrated from the effort they are exerting, and issues with no one accepting responsibility for working on the solution. Headquarters could ask the CCCs to nominate their top candidates for process re-design, and then assign an interdisciplinary team to work on mold-breaking solutions.

As the Postal Service evaluates new technologies, it should keep its eye on capabilities that could be game-changing opportunities for solving customer problems. For example, as ecommerce growth continues to drive parcel questions, technological solutions could be tailored to improve agents' ability to track and answer questions about packages. The Postal Service is experimenting with remote locator beacons to track high-value packages within its facilities. These beacons could help pinpoint the exact location of insured parcels or registered mail to increase accountability.

## Other Matters

During our site visits, we observed an interesting phenomenon that shifts resources away from answering regular customer calls. The Postal Service gives one business a direct-access number for its call center agents to connect with USPS CCC agents.<sup>29</sup> This direct line bypasses the regular customer queue. It is also answered on Sundays when the CCCs are closed to other callers.

When this specific arrangement began in FY 2015, the calls from this business represented just 5 percent of total agent calls. Last fiscal year, however, the number had grown to 14 percent or 1.6 million calls. See Figure 8. Using a staffing calculator, the OIG estimates that, on an average day, answering calls from this business occupies about 120 CCC agents at the busiest times of day.<sup>30</sup>

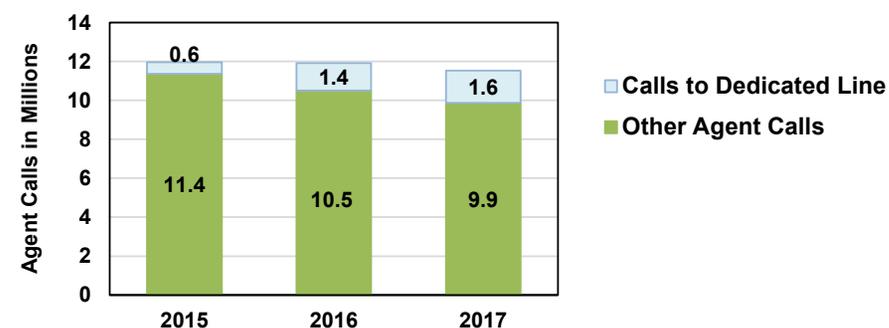
The arrangement given to this business displaces other callers, lengthens their wait times, and therefore potentially impacts overall customer satisfaction. In addition, there is a monetary cost due to the extra Sunday hours. The Postal Service said that an average of 80 agents work on Sundays to answer calls on this dedicated line. Many of these shifts are covered through overtime, and staff working regular schedules receive Sunday pay differential. The OIG

conservatively estimates the cost of this service amounted to roughly \$1.5 million last year.<sup>31</sup> There is no written agreement detailing the terms of this service, which makes it difficult to capture and attribute associated costs. We will be conducting follow-up work in this area to evaluate this and any other similar arrangements.

**Figure 8: Growth in Use of Dedicated Phone Line, FY15 - 17**

### CALLS TO DEDICATED LINE INCREASED NEARLY 200 PERCENT IN TWO YEARS

The Postal Service offers one business a direct-access number to CCC agents. Last year, CCC agents answered 1.6 million calls from this business, accounting for 14 percent of all CCC agent calls. This is a dramatic increase from the 600,000 calls in FY 2015, which only accounted for 5 percent of CCC agent calls.



Source: OIG analysis of Postal Service data.

<sup>29</sup> The Postal Service has other arrangements to provide specialized service to particular businesses, but they are handled by the Business Service Network, which is out of the scope of this project.

<sup>30</sup> The OIG's assumptions were: 4,500 calls per 12 hours; average handle time of 385 seconds based on Postal Service-reported average for calls from this business; 80 percent of calls answered in 40 seconds; shrinkage of 35 percent; and maximum occupancy of 85 percent. We used the following: <https://www.callcentrehelper.com/tools/erlang-calculator/>.

<sup>31</sup> Sunday hours of service are 10 a.m. to 6 p.m. Eastern Standard Time, so we calculated seven hours of paid work for all agents, which excludes lunch and breaks. An average of 80 agents work on Sundays. During the year, hours worked = 7 hours per Sunday x 52 weeks x 80 agents, or 29,120 agent hours. The effective hourly rate for the clerk craft is \$39.94. For many agents, Sunday is a regular work day, so they do not get overtime pay, but they do receive Sunday differential pay of 25 percent of base wage, bringing their hourly rate to \$49.93. Total cost is approximately \$1.5M. These costs are only for agent labor and do not include management costs or facilities overhead (e.g., electricity). Sunday differential pay alone could amount to about \$300,000 per year. However, agents only receive the higher of either the overtime rate or Sunday premium pay, so the overtime rate will prevail.

## OIG Recommendations

The OIG identified several avenues for improving the customer experience with the CCCs, including fixing underlying issues to prevent calls, decreasing customer effort, improving staffing to shorten wait times to speak to an agent, and enhancing agents' ability to solve problems. To improve the customer experience, the OIG recommends that the Postal Service do the following:

### Recommendation #1:

**The Vice President, Marketing**, evaluate whether efforts to make package tracking messages more customer friendly are reducing unnecessary calls to the CCCs.

### Recommendation #2:

**The Vice President, Sales and Customer Relations**, expand use of call back technology to reduce customer wait times on hold and abandoned calls.

### Recommendation #3:

**The Vice President, Sales and Customer Relations**, develop and implement a CCC staffing plan to decrease customer wait time to speak to an agent.

### Recommendation #4:

**The Vice President, Sales and Customer Relations**, establish a cross-organizational mechanism to keep CCC staff aware of and trained on product changes that might lead to customer calls.

## Conclusion

With 7.6 million customers abandoning calls and some callers holding nearly two hours at peak periods to speak to an agent, the CCCs are clearly not consistently meeting customer needs. This report identifies four ways to improve the customer experience with the CCCs. The first step is to attack the issue at the root by

figuring out why customers are calling and solving those problems. Second, the Postal Service could make it simpler for callers to navigate the automated, IVR system when they first connect to the system. For callers that need to speak to an agent, using a variety of staffing solutions to increase agents could make waits more reasonable. And finally, agents could be empowered with more tools to solve customer problems on the spot. The last is particularly important since the Postal Service's own surveys indicate that issue resolution is the most important factor driving customer satisfaction. In an increasingly competitive parcel market, the customer experience is paramount.

Implementing the best practices described in this paper requires participation of the right people. This means reaching beyond the CCCs to get buy-in from other parts of the Postal Service and collaboratively identifying key obstacles and creative ideas for overcoming them. In addition, resource implications must be broadly considered because changes in one part of the organization affect outcomes in another part. Performing cost-benefit calculations across areas of responsibility is difficult, but all the actors and processes are within the postal organization and ultimately committed to the same goal: delivering an excellent customer experience.

## Management's Comments

Management agreed with recommendations 1, 2, and 3; however, they disagreed with recommendation 4.

Regarding recommendation 1, management said that they use a survey on the USPS.com tracking results page to identify troublesome or confusing tracking language. In FY 2019, USPS will be able to perform A/B testing on individual tracking events to test alternative language that could reduce calls. Management's target implementation is the third quarter of FY 2019.

Regarding recommendation 2, management agreed with the recommendation to expand use of call back technology. USPS is reviewing resource allocation to expand the number of customers offered call backs, as well as the offering window. Management's target implementation is the third quarter of FY 2019.

Regarding recommendation 3, management agreed that customer wait time needs to be reduced but said that staffing is not the single solution. Management will review CCC staffing and employee availability along with the expected results of other initiatives explained in the paper that could reduce customer wait time. Management's target implementation is the third quarter of FY 2019.

Regarding recommendation 4, management said that it is not necessary to establish a cross organizational mechanism to keep CCC staff aware of product changes as communication processes already exist. Management said it will continually improve these existing communication and training processes.

See [Appendix D](#) for management's comments in their entirety.

### **Evaluation of Management's Comments**

The OIG considers management's comments responsive as planned corrective actions should satisfy the intent of the recommendations.

Regarding management's disagreement with recommendation 4, in subsequent conversations, the OIG learned that there has been management-level participation in bi-weekly Customer Experience Council meetings since late spring 2018, after the fieldwork for this paper was complete. Executives throughout the Postal Service participate in these meetings, making it an effective way to share information about issues that will affect CCC operations. The OIG considers participation in this council sufficient to address the issue cited in the paper and will close this recommendation.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1, 2, and 3 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. We consider recommendation 4 closed with the issuance of this report.

# Appendices

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# Appendix A: Methodology for Customer Satisfaction Data Analysis

## Data Background

To analyze the statistical correlation between various aspects of the CCC experience, the OIG used the Postal Service's survey data, including attributes like time of day and call type. When narrowing the list of statistical factors from the survey data, the OIG focused on the six survey questions the Postal Service indicated it would continue to use.<sup>32</sup> Of these six, three are outcomes: customer satisfaction, net promoter score, and issue resolution. While the team examined all three outcomes, the goal of this analysis was to better understand what drives positive customer satisfaction.<sup>33</sup>

## Methodology

Through a four-step approach, we:

1. Analyzed the descriptive statistics relevant to the data (e.g., means and medians).
2. Examined customer satisfaction alongside other customer experience outcomes (i.e., net promoter score, and issue resolution). The team also reviewed survey questions related to these outcomes for data analytical purposes: agent knowledge, courtesy, and previous contact.
3. Examined relevant metadata such as call type, seasonality (holiday periods), demographics (age and business calls), time of day, and day of week, to see if the customer experience was better at certain times of day.
4. Performed a regression analysis of customer satisfaction on the following independent variables: issue resolution, agent knowledge, courtesy, and previous contact, as well as seasonality and demographics.<sup>34</sup> The functional form of the regression is:

$$\text{Customer Satisfaction} = f(R, K, PC, CT, T, H, A, P, C, W) \quad (1)$$

or

$$\text{Customer Satisfaction} = \beta_0 + \beta_1(R) + \beta_2(K) + \beta_3(PC) + \beta_4(CT) + \beta_5(T) + \beta_6(H) + \beta_7(A) + \beta_8(P) + \beta_9(C) + \beta_{10}(W) \quad (2)$$

Where:

|                       |                     |  |
|-----------------------|---------------------|--|
| R = Issue Resolution  | T = Time of Day     | C = Agent Courtesy                                     |
| K = Agent Knowledge   | H = Holiday         | W = Day of Week  |
| PC = Previous Contact | A = Age             | $\beta_0$ = Intercept                                  |
| CT = Call Type        | P = Personal Reason | $\beta_1$ through $\beta_{10}$ = Coefficients for Call |

## How to Interpret Results

The OIG interpreted the regression results by identifying what factors drive positive or negative customer satisfaction as shown in [Table 2](#). This analysis is meant to be illustrative of types of possible statistical analysis, not exclusive. Furthermore, only significant drivers are shown.

Resolving a customer's issue is the single biggest driver of customer satisfaction, increasing satisfaction by 14 percent. Similarly, having a more knowledgeable agent increases customer satisfaction by 8.2 percent. However, if two customers call in, one for the first time, and one for the second time, the repeat caller is 3.8 percent less satisfied than the first-time caller, even if both customers had their issues resolved and equally knowledgeable agents.

<sup>32</sup> On April 1, 2018, the Postal Service converted the 28-question agent survey to six. It dropped questions that underpin some OIG insights, including questions to gauge customer effort and the process of connecting to an agent.

<sup>33</sup> The OIG team used the FY 2017 agent survey. As the Postal Service experimented with various question formats during the year, we used the questions that were asked all year — this dataset contained 96 percent of all agent survey data.

<sup>34</sup> The OIG examined issue resolution as an independent variable because of its impact on satisfaction. However, to control for indirect effects of issue resolution (e.g., customers being more satisfied because the issue was resolved), the OIG ran the regression using interaction terms for issue resolution and all other independent variables.

**Table 2: Drivers of CCC Customer Satisfaction**

| What Drives Customer Satisfaction? | Effect on Customer Satisfaction <sup>A</sup> | P-Value |
|------------------------------------|--|---------|
| Issue Resolution (R)***            | +14.0%                                       | <.001   |
| Agent Knowledge (K)***             | +8.2%  | <.001   |
| Previous Contact (PC)***           | -3.8%  | <.001   |
| Time of Day (T)***                 | -2.4%  | <.001   |
| Personal Reason for Call (P)**     | +0.8%  | .001    |
| <b>Call Type (CT)<sup>B</sup></b>  |  |         |
| Postal Inspection Service***       | +11.0%                                       | <.001   |
| Pricing***                         | -10.8%                                       | <.001   |
| Tracking (International)***        | +4.7%  | <.001   |
| Change of Address***               | +2.0%  | <.001   |
| Redelivery***                      | +1.2%  | <.001   |

<sup>A</sup> The dependent variable “Satisfaction” was measured on a 1 to 9 scale, while effects are presented in terms of percentage for ease of reading. The listed effects correspond to the coefficient of each independent variable. For instance, a one-unit increase in agent knowledge (on a 1 to 9 scale) yielded a 0.74 unit increase in satisfaction, which equates to 8.2 percent. To read the results, plus signs (+) and larger numbers indicate larger, significant effects on satisfaction. These results are based on linear regression as shown in equation 2 above. Coefficients on variables that were not statistically significant are not shown but are listed in Equation 2 above.

<sup>B</sup> While all call types were analyzed, the call type of ‘general inquiry’ is the reference group (baseline value of zero) for display purposes in this table.

\*Significant at the \*95%, \*\*99%, or \*\*\*>99.9% confidence level for each effect (coefficient). For example, an increase in agent knowledge yields an 8.2 percent increase in satisfaction, and we are 99.9% certain that this is the case.

Source: OIG analysis of Postal Service data.

# Appendix B: Methodology for Text Mining Customer Comments

The OIG used the statistical software R to perform text analytics on the FY 2017 survey comments. This appendix briefly describes the OIG's methodology.

## Text Processing

The OIG analyzed 90,425 comments from both the FY 2017 agent and IVR surveys. After examining a random sample of comments from each survey, we grouped them together because many agent customers also commented on their IVR experience prior to reaching the agent. On the IVR survey, respondents had three opportunities to leave a narrative comment, and all three were used in our analysis.

The OIG analyzed the comments to understand individual words and those in pairs or phrases. For instance, OIG identified words that are coupled together as terms, such as “post office” for two-word pairs and “local post office” for three-word pairs. When the OIG ran the comments through the program, this text parsing resulted in 23,000 unique terms. The team fine-tuned the number of terms further using the following techniques:

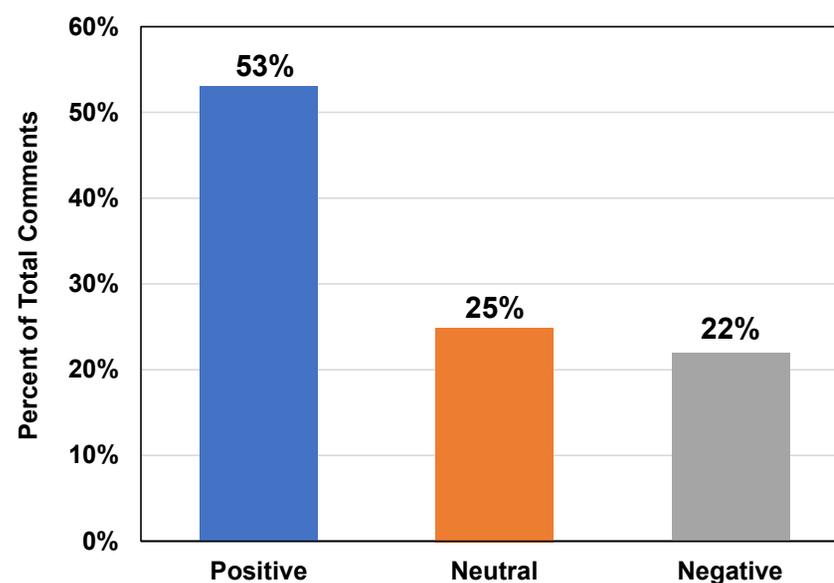
1. **Combining like words under a single term.** The OIG combined common stems (for example: track, tracked, tracking), inflected versions of the same words, and words with similar dictionary definitions. The team cleaned the data by ensuring consistent capitalization and removing numbers, punctuation, and erroneous spaces.
2. **Eliminating meaningless words.** Frequent words like “the” and “to be” do not add to the meaning of the analysis. Something is just as likely “to be” good as it is “to be” bad.
3. **Conducting sentiment analysis.** The OIG summarized the sentiment of all comments. Figure 9 shows that 53 percent were positive, 25 percent were neutral, and 22 percent were negative.
4. **Creating a document-term matrix.** The OIG created a document term matrix, which preserves all words, to conduct topic extraction.<sup>35</sup>

<sup>35</sup> The matrix consisted of 23,000 rows (number of words) and 90,000 columns (number of comments).

**Figure 9: Sentiment of CCC Customer Comments**

## MOST CCC CUSTOMER COMMENTS ARE POSITIVE

The OIG classified each of the 90,425 narrative comments as positive, neutral, or negative: 53 percent were positive, 25 percent were neutral, and 22 percent were negative.



Source: OIG analysis of Postal Service data.

## Clustering and Topic Extraction

Next, the OIG used a topic-modeling technique to cluster similar words and generate a list of common customer topics. Called Latent Dirichlet Allocation, the probabilistic algorithm employs machine learning to identify similarities between words and comments (for instance, what words are used similarly or together). The algorithm then creates lists of words for each topic by highlighting linkages.

For instance, if a series of text documents related to cats or dogs, the algorithm would produce words such as milk, meow, and kitten, which are cat related, and puppy, bark, and bone, which are dog related.

However, the algorithm is not completely automated. The OIG ran different topics (between four and eight) to see what produced the best results, arriving at five different topics. The OIG validated this selection by reviewing a random sample of each of the agent and IVR responses, which best corresponded to the five topics listed below. Next, the team interpreted the story behind each topic. For instance, the OIG classified Topic 1 as “customer leaves positive feedback” because the

words demonstrate a common theme of customer satisfaction through positive adjectives and words such as, agent, efficient, handled, and appreciated. The results of these searches are highlighted in Table 3.

This topic modeling approach offers two advantages over manual coding. First, it is consistent and reproducible since the algorithm uses a randomized seed that can be re-used to produce the same results whereas human coding could result in different results depending on the person. Second, this approach saves significant labor hours over manually coding or randomly sampling each comment.

**Table 3: Common Topics in CCC Survey Comments**

|   | Topic  | Clustered Words  |
|---|--|--|
| 1 | Customer leaves positive agent feedback                | Positive Adjectives, Agent, Job, Extremely, Situation, Woman, Efficient, Handled, Understanding, Appreciated, Experience, Helping, Bye, Care, Hope |
| 2 | Customer discusses agent's efforts to resolve issues   | Agent, Issue, Answer, Resolve, Question, Information, Customer Service, Quick, Rate, Happy, Provide, Feel, Listen, Concern, Care                   |
| 3 | Customer mentions time on hold                         | Call, Time, Negative Adjectives, Service, Wait, Minute, Postal Service, Hour, Hold, Local, Survey, People, Guys, Contact, Speak                    |
| 4 | Customer discusses tracking or package delivery issues | Package, Deliver, Track, Mail, Day, Receive, Leave, Supposed, Lost, Told, Postal Service, Mailed, Letter, Home, Priority                           |
| 5 | Customer frustrated with IVR system                    | Speak, Automated System, Person, Understand, Address, Option, Difficult, Times, Easy, Frustrate, Repeat, Lot, Zip Code, Website, Online            |

Source: OIG analysis of Postal Service data.

# Appendix C: Workforce Strategies for Managing Peak Periods

The OIG asked more than a dozen call center managers how they handled peak periods, both daily and seasonal. Four basic approaches emerged from our conversations, described below. Any changes to the Postal Service's workforce strategies would, of course, have to fit within the limits of its collective bargaining agreements.

## Outsourcing: Let a Contractor Predict and Handle Peak Periods

Outsourced call centers put the burden of staffing for peak periods on the contractor, not the agency. The Department of Education's Federal Student Aid Information Center builds forecasting for surge periods into its contract.<sup>36</sup> The State Department's National Passport Information Center likewise enjoys the built-in flexibility its contract allows. At peak staffing, they have about 850 contracted agents compared to low periods when they have 450-500 agents. The contractor tries to keep on as many full-timers as possible, reducing schedules to 30-32 hours per week. This enables workers to keep benefits and active security clearances.<sup>37</sup>

Complete outsourcing is not the only option. The ecommerce company's contact centers, for example, employ 100,000 agents worldwide. While many are company employees, about one-third are contractors who fill in coverage gaps. Managers at the company said the contracts usually specify that contractors will receive a certain number of calls per day.<sup>38</sup> The Postal Service could pursue a hybrid model where CCC agents continue to answer calls at the current levels, but a contractor could provide daily queue support by answering calls at peak times, potentially between 10 a.m. and 2 p.m., at the end of the day to help clear the call queue, or Mondays.<sup>39</sup> Alternatively, the Postal Service could use historic data to solicit contract support to handle periods of seasonal surge above the monthly average.

<sup>36</sup> Interview with Department of Education, February 13, 2018.

<sup>37</sup> Interview with State Department, January 12, 2018.

<sup>38</sup> Interview with ecommerce contact center, March 7, 2018.

<sup>39</sup> Although the CCCs are open until 8:30 p.m. Eastern Time, the queue closes to new customers once the estimated wait exceeds the remaining time left in the work day. For example, if the wait is one hour, and a customer calls at 7:35 p.m., the caller will only be able to use the automated menu system and will be instructed to call back the next day. Contract support could allow customers to call up to closing time.

<sup>40</sup> Interview with GSA, January 18, 2018.

<sup>41</sup> Interview with IRS, February 13, 2018.

## Lending Library Approach: Staff for Peak Volumes and Sell Excess Capacity

Some agencies staff for peak periods, then find buyers for excess in-house call center services. For example, the General Services Administration (GSA) provides call center support to other agencies through inter-agency agreements. GSA handles the easiest calls for the Department of Interior's Fish and Wildlife Services. It provides support after 5 p.m. to a Food and Drug Administration emergency hotline for physicians who might need emergency, after-hours approval for a drug in clinical trials. It also has a mechanism to activate after-hours support to the Department of State, Office of Citizen Services. These are smaller programs, so agents are cross-trained across programs and agencies.<sup>40</sup>

The Internal Revenue Service (IRS) is another agency with more agents than it needs during slow periods. It lends its agents to the Federal Emergency Management Agency (FEMA) during lulls in the tax cycle, which coincide with periods of annual weather disasters. In FY 2017, FEMA used 2,000-3,000 agents from mid-August until Thanksgiving to support hurricanes and California fires. The IRS agents are given a remote desktop to enable them to answer FEMA calls. The agencies renegotiate a Memorandum of Understanding every few years to spell out levels of service and reimbursement for agents, technology, and circuitry.<sup>41</sup>

The Postal Service could explore the marketplace to see if there is additional demand from other government agencies if it chooses to staff for peak periods.

## Keep It In-House: Find Intra-Agency Support

The Social Security Administration (SSA) experiences a December through February surge. To help answer the phones, it shifts personnel from the division that handles overpayments and claims processing to call center operations. This is similar to the Postal Service's use of sales retention teams to handle increased

call volume during the winter holiday season as discussed in the white paper. This tactic works if support exists throughout the enterprise. SSA reported that they used to receive 400,000 hours per year in help, but support dropped to 200,000 hours and is now down to 100,000 hours.<sup>42</sup> If the Postal Service chooses to look for other intra-organization options to handle surge, it should ensure that all parties are committed to the arrangement for the duration of the designated period.

### **Flex Force: Use Non-Career Employees to Increase Flexibility**

The ecommerce company uses a mix of full-time and part-time employees in its brick-and-mortar centers. It also has a “reserve,” home-based workforce that is managed by a global command center in India. If the customer queue starts to back up, the command center emails these on-demand employees, specifying how many it needs and for what length of time. It then alerts them when the queue is under control and they can drop off the line. Reserve employees are required to work a minimum of five hours per month to keep their skills fresh. Reserves are called up nearly every week and during the most recent peak season, they were activated for about six weeks.<sup>43</sup>

The Small Business Administration (SBA) is one government agency that uses a mix of career and term employees to handle fluctuating call volumes. Term employees have four-year appointments, are vetted through security, and are rotated in and out of the call center, usually for 3- to 6-month assignments to keep their skills current. They also use a call-back list of former SBA employees, including those who have retired, that they notify of opportunities. Call-back employees are hired as temporary employees, and go through all security

procedures each time they are hired. This manpower mix gives them flexibility to handle both modest and more dramatic surges.<sup>44</sup>

The 180 employees of the Virginia Department of Taxation are a mix of full-time and wage employees, working both onsite and from home. Wage employees work less than 29 hours per week and are used to fill scheduling gaps, transitions, and attrition and help the department staff up for filing season. Filing season surge hiring begins in September or October, with 12 weeks of training before new hires field basic calls. When filing season ends, the department might offer some employees full-time positions in the call center or other offices, although some employees prefer to remain wage employees.<sup>45</sup>

Similarly, to fill out its ranks during tax season, the IRS hires 200-500 seasonal employees for terms of 4-11 months, depending on funding levels. They begin in October or November for a month of training on the least complex call types. They are available to answer calls leading up to April 15 and shortly after. Often, these seasonal employees are the ones that also provide FEMA support toward the end of their seasonal terms. The IRS finds that many people like working just 4-6 months and having summers free. Seasonal employees that successfully complete two or three seasons can be converted to permanent status, so the program also serves as a recruiting method.<sup>46</sup>

### **Summary**

The Postal Service could follow the lead of many other call centers and use a mix of full-time and part-time employees, both career and temporary, to handle fluctuating call volumes. Part-time staff, in particular, could be useful for times of day or days of the week with consistently higher call volumes.

<sup>42</sup> Interview with SSA, February 14, 2018.

<sup>43</sup> Interview with ecommerce contact center, March 7, 2018.

<sup>44</sup> Interview with SBA, December 28, 2017.

<sup>45</sup> Interview with Virginia Department of Taxation, January 4, 2018.

<sup>46</sup> Interview with IRS, February 13, 2018.

# Appendix D: Management's Comments

DENNIS R. NICOSKI  
A/SENIOR VICE PRESIDENT, SALES  
AND CUSTOMER RELATIONS



August 10, 2018

Amanda Martinez  
Manager, RARC Central

SUBJECT: Final Review Draft White Paper – Improving the Customer Experience with USPS Customer Care Centers (Report Number – RARC-WP-XX-XXX)

This letter provides feedback and management's response to Improving the Customer Experience with the USPS Customer Care Centers (Report Number – 2018RARC006) for which an exit conference was conducted on Friday, July 13, 2018. The Postal Service puts forth comments on the accuracy, approach, and findings contained within the report.

Since the original insourcing of the Care Centers in October 2012, we have leveraged Call Center metrics, operational performance information, and customer feedback to make improvements for our customers. It is our goal to improve the overall customer experience at every touchpoint. Cross functional work is being done both at USPS Headquarters as well as in field operations to improve the customer experience by addressing the root cause that prompted the customer to call. Our goal is to prevent the need for the call.

As cited in your paper, we have experienced rapid growth in our package business and with this growth, have also seen an increase in call volume to the Care Centers and an increase in the average length of time to serve our customers. Many of the ideas and suggestions provided in the white paper to improve the Care Center experience are already in progress. However, there are a number of ideas in the white paper that are not feasible under our current labor agreement with the APWU and will therefore not be acted upon.

**Recommendation #1:** Evaluate whether efforts to make package tracking messages more customer friendly are reducing unnecessary calls to the Customer Care Centers.

**Management Response:** Management agrees with this recommendation and had already implemented a process to test and measure the effectiveness of language changes related to tracking messaging. Troublesome or confusing events are identified using a web-based survey on the USPS.com tracking results page for team review to recommend new language event options. We evaluate how much the occurrence of a particular event is impacting calls, and for those events where we changed the customer-facing language, we measure whether the change in language is eliminating customer issues that result in a call. Our work has already produced a decrease in call rate for certain event types. We continually test these new options with custom surveys. This is an ongoing process as we respond to changing customer expectations and further refine tracking event language.

475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-5657  
WWW.USPS.COM

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In FY 2019, USPS will have the ability to perform A/B testing on individual tracking events. We will be able to test alternative language for a small portion of our customers on specific events and measure which language produces a lower call rate. This will allow us to hone in further on what in tracking can be improved by making language more customer friendly and make changes accordingly.

**Target Implementation Date:** QTR 3 FY 19

**Owner:** Steve Monteith

**Recommendation #2: Expand use of call back technology to reduce customer wait times on hold and abandoned calls.**

**Management Response:** Management agrees with this recommendation to expand use of call back technology. Management deployed call back technology in the care centers in 12/20/2015. Virtual Hold Technology (VHT) provides customers with the option of having the care centers call them back rather than wait in queue. We are currently reviewing resource allocation to identify how we can expand both the number of customers offered VHT, as well as the offering window.

**Target Implementation Date:** QTR 3 FY 19

**Owner:** Salina Ferrow

**Recommendation #3:** Develop and implement a Customer Care Center (CCC) staffing plan to decrease customer wait time to speak to an agent.

**Management Response:** Management agrees that customer wait time needs to be reduced. Management however, does not agree that staffing is the single solution to reducing customer wait times. Management will continue work underway that was shared during white paper discussions.

Management is currently reviewing the call center staffing and employee availability at each of the Care Centers in conjunction with the expected results of each of the actions listed above to reduce customer wait time.

**Target Implementation Date:** QTR 3 FY 19

**Owner:** Salina Ferrow

**Recommendation #4:** Establish a cross-organizational mechanism to keep CCC staff aware of and trained on product changes that might lead to customer calls.

**Management Response:** Management does not agree that we need to establish a cross organizational mechanism to keep CCC staff aware of product changes, as these communication processes already exist. Management will continually improve upon the existing communication and training processes so that our customers can be best served.

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We will continue to use data and analytics to proactively drive the Care Center performance, and to identify opportunities to improve the customer experience through changes to processes and protocols.



Dennis R. Nicoski

cc: Fredy Diaz  
Amanda Stafford  
Sally Haring



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1735 North Lynn Street  
Arlington, VA 22209-2020  
(703) 248-2100



**We conducted work for this white paper in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation (January 2012).**