Your Guide to First Contact Resolution

The main goal of customer service teams is to keep customers coming back to your business. In order to achieve this, you need to make them happy by resolving their problems efficiently and effectively. Unfortunately, there are very few metrics that comprehensively reflect the true performance of service reps – that's where **First Contact Resolution** (FCR) comes in.

1 What is First Contact Resolution?

A first contact resolution, sometimes called a one-touch case, is a service issue that is resolved with a single response activity (e.g. call or email). FCR is referred to as the golden metric of customer service because it **measures both efficiency and effectiveness**, giving you deep insights into your team's proficiency. It is typically calculated as a rate, using the following formula:

$$FCR = \frac{\text{\# of cases resolved in one response}}{\text{total \# of cases resolved}}$$

2 How Does First Contact Resolution Measure Efficiency?

For customer service teams, efficiency is measured by the amount of time and effort it takes to resolve customers' problems. Typically, cases resolved with a single touch are quick and painless, which is why FCR is such a strong indicator of efficiency. By analyzing the trend of your FCR over time, you can easily see if your team is becoming more efficient at handling cases.

3 How Does First Contact Resolution Measure Effectiveness?

FCR isn't just about speed – it also reflects the problem-solving abilities of your team. When your reps are able to resolve customers' issues in just a single call or email, their effectiveness is maximized. Tracking your FCR will show you whether or not your team is consistently having productive interactions with customers.

4 Why Should You Care About First Contact Resolution?

FCR correlates with customer satisfaction – the higher your FCR, the more satisfied your customers will be. And if your customers are happy, you will **increase your retention** rate and **reduce churn**.

If you want to improve the output of your service team, analyzing your FCR is the best place to start. Making an effort to increase your FCR will **boost your team's productivity**, allowing you to **handle more volume**. This will save you time in the short-term and reduce costs in the long run.

How to Improve Your First Contact Resolution

Simply knowing your FCR isn't enough – **accurately tracking your FCR** will enable you to pinpoint areas of weakness that should be addressed. Before diving in, you need to take a step back and contemplate what FCR means to your team. Investing the time to analyze your FCR and devising a plan to optimize it can pay dividends for your organization.

1   Decide What FCR Means to Your Team

Service teams handle a wide variety of cases. Each team should identify which of their case types are eligible for FCR. Not all cases can be resolved in a single response – some are better off measured with other metrics, such as time to resolution. It can also be useful to add a time limit for FCR eligibility. For example, a case must be resolved in one touch and within an hour of being opened to count as an FCR.

2   Empower Your Service Reps

Research has shown that time in training directly correlates to FCR. Thoroughly training your service reps, so that they acquire deep product knowledge, will allow them to resolve issues more easily. You can also set your reps up for success by giving them the capability to override system rules (when appropriate). This will expedite the service process and alleviate the need for cross-departmental communication.

3   Find Out What's Holding You Back

In order to reveal why your overall FCR is low, you need to **break it down into smaller segments**. You can spot nuances by analyzing each employee's FCR to see which service reps need more coaching. Or you can look at FCR by product area to discover which types of issues your reps are having trouble resolving (see figure 1).

What are our FCR rates by product area?

67% on average for cases created in the previous 90 days

Custom   Last   This   To Date   **Trailing**
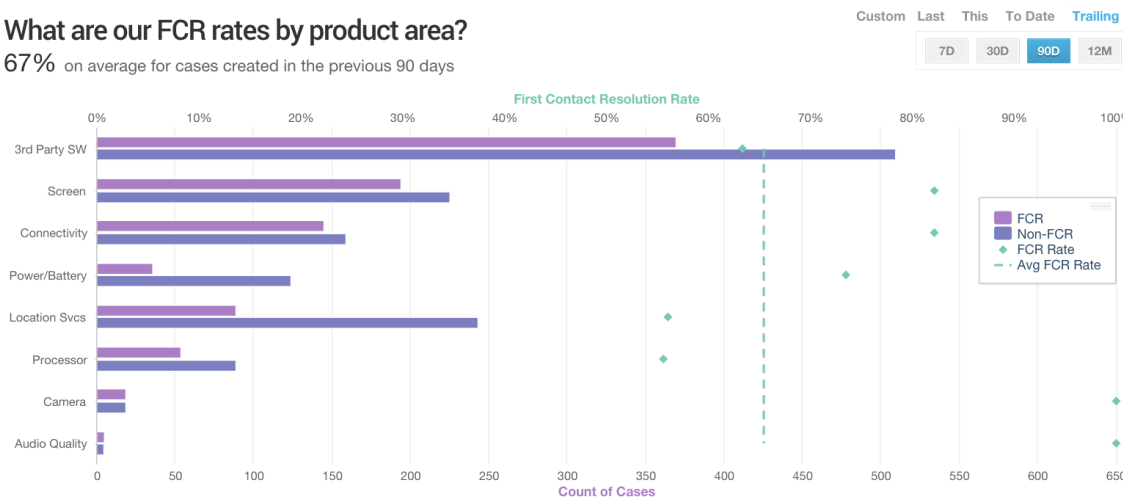
7D   30D   **90D**   12M

Figure 1:
In this example, the FCR rates for *Camera* and *Audio Quality* product types are significantly lower than the rest. Why is that? Maybe your reps need more knowledge on these product areas – a new training program could be your answer.

The Limitations of First Contact Resolution

Although FCR is generally considered an indicator of efficiency and effectiveness, there are times when **a higher FCR isn't necessarily better** for your team. When working to improve your FCR, keep in mind that the primary goal of customer service is to keep customers coming back to your business. Accomplishing this means making them happy by providing real solutions to their problems.

1 Do What's Best for the Customer

Don't inflate your FCR with easy wins. If your reps are answering certain questions easily because of an internal wiki, why not put it in the public knowledge base to prevent those case types from clogging your queue? This would make life easier for your customers, which is more important than improving any metric.

2 Don't Manage to the Metric

If you place too much emphasis on optimizing your team's FCR, your reps may be tempted to juke the stats, or consciously sacrifice the quality of their work just to hit their numbers (see figure 2). It's inefficient for your reps to close cases after the first response if the customer's problem hasn't actually been resolved – this will result in **higher reopen rates**. If you're going to make an effort to improve your FCR, make sure to stress the importance of verifying resolutions before closing cases.

What is our first contact resolution rate?

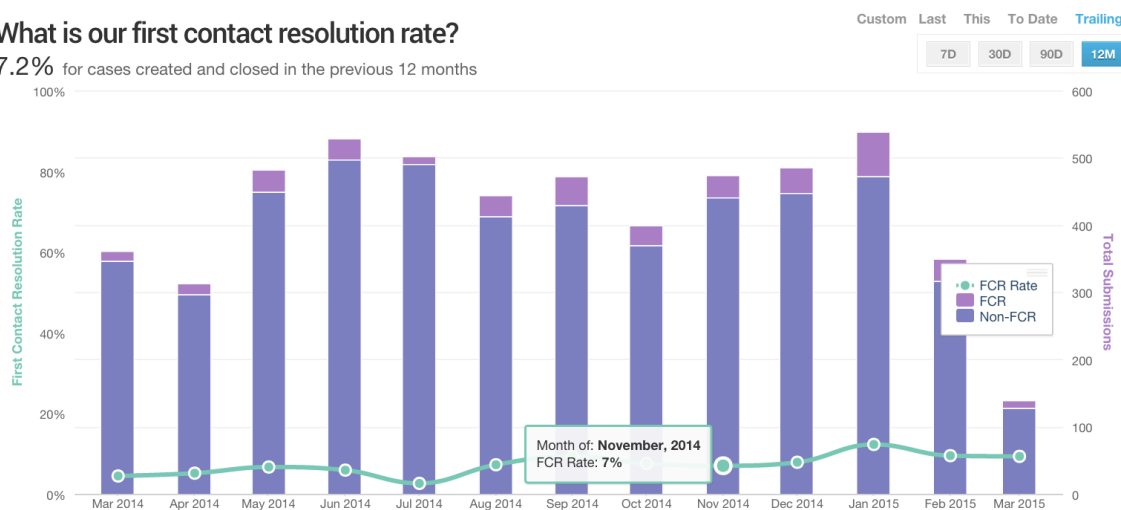**7.2%** for cases created and closed in the previous 12 months

Figure 2:
In this example, the FCR rate increases significantly from Dec. 2014 to Jan. 2015. So, that's good, right? Well, not always. Maybe the service reps were juking the stats, turning FCR into a vanity metric.

3 Apply Your Knowledge

Analyzing your FCR will help you gauge your team's performance to pinpoint areas of weakness. When taking the steps to improve your FCR, you must remember to always put the customer first. If you need help visualizing the trend of your FCR over time, click here for a free demo of InsightSquared Service Analytics to see how you can make your service team more efficient and effective.