**MSR Turnover: The Silent Killer of Profits**

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No matter the industry, call centers are infamous for high turnover. The costs of agent/MSR turnover can be the single largest cost variable in a call center, or member service operation, and the one most often underestimated or overlooked altogether by credit union management.

A well run call center may enjoy a modest 10% average annual agent turnover rate. However, industry statistics show that the typical call center experiences an annual agent turnover of 30% to 60%, and in many call centers it’s much higher. Even if management is highly capable and intently focused on retaining good people, there are many other factors out of management’s control that can result in agent turnover/attrition.

So who really cares about agent/MSR turnover anyway? Well, it depends.

* If it concerns the effort involved in hiring 30-60% of the agent workforce every year, human resources does.
* If it concerns the length of time it takes for new hires to become proficient, or even adequate, supervisors do.
* If it concerns how much all this costs; operations then cares.
* If it concerns the impact of turnover on member loyalty, then the executive suite should care.

What is becoming clearer to credit unions is that the impact of agent turnover/attrition is usually well underestimated because of multiple partial owners, but collectively needs to be factored into any call center or member service operation cost analysis.

**Turnover: Hard Costs**. Credit union industry cost estimates range from $5,000 to $20,000 to put an agent to work (i.e., recruiting, hiring, training, etc.) This range depends on how long during the road to agent proficiency – very roughly 90 days – an agent/MSR stays on the job. The closer to proficiency the more they will cost the organization if they leave or are relieved of their duties. A conservative industry estimate is to consider hard turnover costs to average 15% of all MSRs salary plus benefits plus cost of supervision.

**Turnover: Soft (Hidden) Costs**. Hidden losses from agent turnover include lost institutional knowledge, lost business, and lost productivity from reduced morale/engagement of remaining employees, potentially resulting in increased absenteeism and even more turnover.

Intradiem, a call center technology company well respected for their extensive call center industry research and analysis, concludes that 40% of consumers have stopped doing business with a company solely due to a poor call center experience. Most people would agree that new agents do not provide the same level of service as experienced agents. Considering a conservative 30% annual turnover rate, this means that one out of every three call agents answering the phone at any time is new, and typically less than proficient. Call center leaders are aware of the problems this phenomenon causes. With the large percentage of consumers who churn solely based on service issues, the impact to your business of less than proficient agents can be enormous.

Intradiem’s research also concludes that every 10% of agent turnover leads to 1% member churn. With an industry average of 30-60% annual turnover, even at 30% these statistics predict a 3% annual churn rate. And financial-industry estimates say it takes $350 of marketing spend to land a new member. These statistics can assist a credit union’s analysis of these soft, hidden costs of turnover.

Many industry experts contend these hidden costs can dwarf the hard costs of turnover. But they can vary greatly and are difficult to quantify. These costs must be considered when evaluating whether or not to utilize the services of a call center outsourcer to assist with taking any portion of your member contacts – phone calls, emails, web chats, etc. Turnover is truly a silent killer of profits that credit unions cannot afford to ignore.

Most credit unions that include all costs of insourcing (i.e., MSR/supervisor wages, MSR/supervisor benefits, and costs of overhead such as hardware & software, phone systems, ACD systems, call recording systems, workflow management software, etc.) plus these hard and potentially also soft turnover costs conclude a significant savings by outsourcing at least a portion of their member contacts.

Outsourcers absorb all these costs and simply charge a per-minute fee for all member contacts. Outsourcers are keenly aware of the costs of turnover and take great strides to minimize their agent turnover rates. These efficiencies and cost savings are then factored into their pricing structures and passed on to their credit union clients.

About AnyHour Solutions

[AnyHour Solutions](http://www.anyhoursolutions.com/) is a highly flexible provider of comprehensive, 24/7, contact center outsourcing services for credit unions via our AnyHour MSR and AnyHour Loan-By-Phone services. Our purpose is to help our credit union partners to enhance service to their members, increase loan volume, and reduce operating expenses. AnyHour Solutions has been providing contact center services to credit unions for nearly 20 years, longer than any other company. Highlighted by the industry’s most experienced staff of agents and a turnover rate under 10%, our contact center goal is to provide “Service They Will Remember.” In addition, AnyHour also provides online loan application functionality as well as a full suite of mortgage processing services for credit unions.

For additional information, or to receive a copy of our white paper entitled *Credit Union Call Center Outsourcing: 8 Reasons to Use a Third Party Outsourcing Provider* contact Steven Holmes, VP Strategic Development, at 888.622.8696, [sholmes@anyhoursolutions.com](mailto:sholmes@anyhoursolutions.com).