



Targeted KPI improvements through AI

IMPACT GUIDE



How Microsoft use AI to gently and supportively improve employee knowledge and capability and subsequently **improve valuable KPIs**



The Clever Nelly impact at Microsoft

This guide explores how Microsoft used AI from Elephants Don't Forget to improve employee in-role performance and subsequently improve valuable KPIs including **First Contact Resolution, CSAT, Average Handling Time** and **Help Resolved**.¹

Recognising that the human brain does not learn as effectively as every employer would want, Microsoft deployed our Artificial Intelligence (AI) solution – Clever Nelly – to guarantee all their great training content was learned and retained.

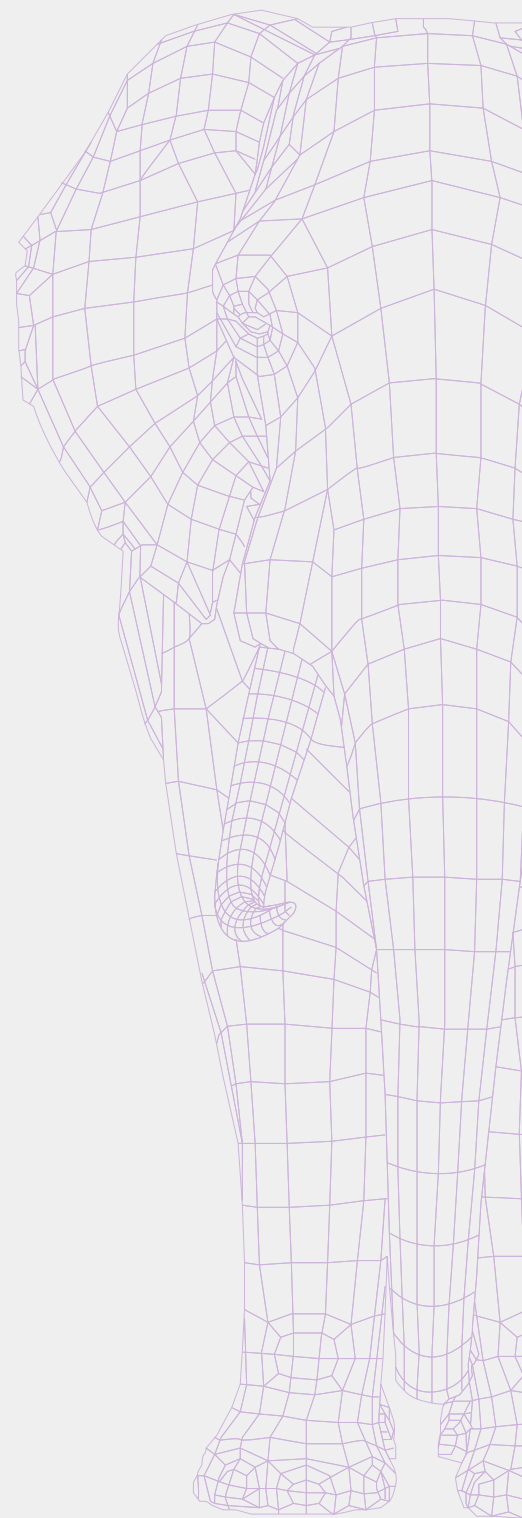
Primarily, they wanted to acquire an objective view of employee subject knowledge as dynamic data points for critical assessment. It was their intention that this would empower their leadership teams and outsourced delivery partners to hold targeted interventions that would support individual employees in specific areas where knowledge 'gaps' could be detrimental to improving KPIs.

Across an eight-month assessment period, spanning from October 2020 to April 2021, Clever Nelly was socialised in two territories

across Central America and the Philippines, with the objective to:

- i. Enable them to continually assess and quantify the desired outcomes of their learning and development initiatives.
- ii. Gently repair knowledge and competency 'gaps'.
- iii. Overtly link the improvement in employee knowledge and capability to improvements in specific customer service KPIs.

Considering the significant business performance improvements achieved, Microsoft have since deployed our AI across the entire customer service population serving Xbox and Surface customers; equating to thousands of employees.



¹ **Help Resolved explained:** after a customer query is raised to Microsoft's Customer Service Team, they obtain satisfaction feedback from the customer following their query being resolved by asking: 'was your issue resolved?'. Microsoft track this metric as a specific KPI.



Looking more closely at the measurable benefits achieved through Clever Nelly.

12.5%

Decrease in Average Handling Time (AHT)

9%

Increase in First Contact Resolution (FCR)

9%

Increase in Help Resolved (HR)

5%

Increase in Customer Satisfaction (CSAT)



Over 32,310 knowledge interventions

Employee knowledge increased by 19% – on average – across specific lines of business during the eight-month assessment period.

Prior to implementation, Microsoft and Elephants Don't Forget took a collaborative approach to determine the specific measures that would be central to gauging the impact of Clever Nelly, opting for the Kirkpatrick Model of assessment.

Out of 2,500 employees within their Xbox and Devices teams, half used Clever Nelly alongside existing training, whilst the other half were the control group with only existing training available.

From their existing training content, the expert authoring team at Elephants Don't Forget crafted questions that would assess employee knowledge on core subject categories, which were prepared and translated by Microsoft for native and non-native English speakers, including: Chinese, Japanese and Brazilian Portuguese.

Microsoft led a successful awareness program to internally embed the AI product, with a narrative on its purpose for employees, team leaders and managers.

Individual knowledge baselines were established during the first 45 days of deployment, where users responded to two knowledge questions (interventions) per day.

Workshops were conducted with senior, middle and junior management alongside Customer Support Data Quality (CSDQ) teams to fully understand the hyper-focused reporting capabilities offered by Clever Nelly and how these would be used to inform tailored individual coaching conversations and future training resource decisions.

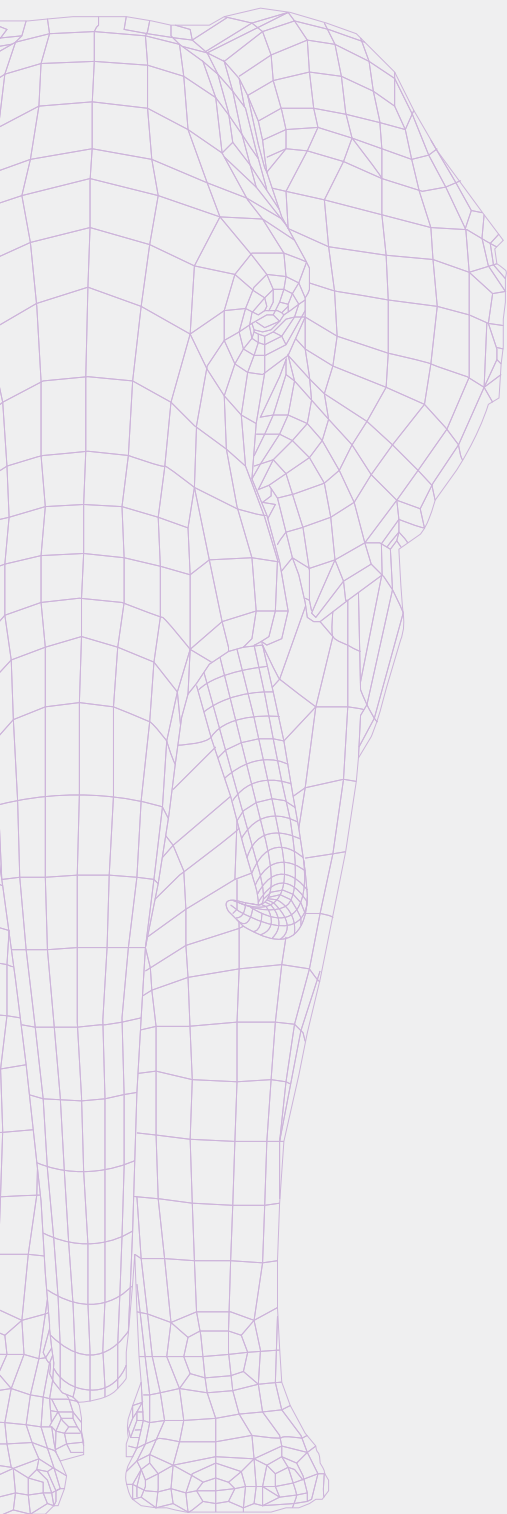
Data obtained during this period was explored by Microsoft and Elephants Don't Forget to identify commonalities in knowledge discrepancies.

This also provided Microsoft with the opportunity to comprehensively understand the collated Management Information (MI) presented by Clever Nelly and translate those employee capability assessments into tangible business impacts that would influence their targeted KPIs.



We have not identified a single instance where the AI has failed to improve employee knowledge retention and positively impact in-role performance.

Andy Wade, Support Engineering Manager



Microsoft is committed to supporting employee in-role excellence through training and employee development. Yet it had been historically difficult for their teams to meaningfully:

- i. Measure individual employee baseline knowledge.
- ii. Measure and monitor the improvement of individual knowledge and competency.
- iii. Evidence and map individual, team and function capability improvement to positive impact on critical KPIs.

By applying the principles of spaced learning, repetition, and self-testing – the core principles of Clever Nelly's AI – they concentrated their efforts on improving and plugging transient knowledge gaps by re-enforcing key subject matter, within the flow of work, following initial training.

Once fully activated, the AI began addressing subject areas where each employee was demonstrating competency or knowledge fade, adjusting the quantity and content of interventions in real-time based on the needs of each user to automatically repair gaps. Questions were delivered via email and could be completed at the convenience of the individual recipient, taking just 1 minute 47 seconds of an employee's day – on average.

Where multiple choice questions were incorrectly answered, users would be shown the correct response and the question would be repeated within the next 14 to 28 days to determine whether the information had been retained. To aid this process, certain question sets considered to be difficult would also provide additional contextual cues with an external hyperlink to the learning content in Microsoft's external LMS function, where

the employee could understand why their answer was not the correct choice.

As well as enabling management to track and monitor group performance and engagement, individual users had access to their own personal reporting dashboard. From here, they would see a visual representation of their knowledge across different subject areas from the last three months, with an anonymous peer group benchmark.

By focusing the AI on particular KPIs (or rather the knowledge and skills that most influenced these KPIs) Microsoft are able to gently and continually improve operational performance from those teams, which has since been sustained.

In other words, prove cause and effect of Learning & Development (L&D) interventions on the bottom line with independent ROI evidence. Microsoft have a long history of using traditional L&D methodologies in conjunction with personalised learning journeys and neuroscience, focusing on key learning principles that underpin how they can better support their employees to learn, retain and apply their knowledge acquisition in-role to influence productivity and positive customer resolutions.

As a brand committed to fostering an environment of continuous employee development, Microsoft acknowledged that Clever Nelly has helped to empower their outsourced delivery partners, Team Leaders, QA and Training Teams to conduct targeted interventions with individual employees in the areas of their role they required help in the most.



Those who use it most, perform the **best**.

Employees who had high engagement rates consistently had better **CSAT**, **HR** and **FCR**, where top Clever Nelly users demonstrated a 13% higher knowledge score compared to low engagement users (<80%).

We consider an 80% individual engagement rate with Clever Nelly to be an optimal rate to facilitate positive outcomes in relation to improving individual competency levels and translating this acquisition of knowledge into greater in-role performance.

As a result of the ongoing involvement of Microsoft's senior stakeholders, overall engagement was maintained at an average of 89% without a single non-engaged employee.

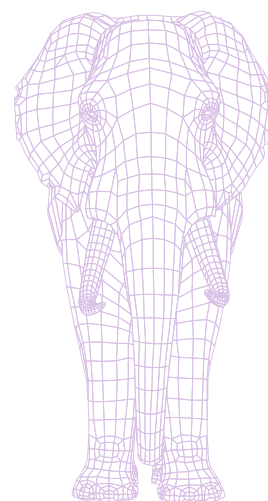
Microsoft concluded that employee performance improvement was directly influenced by engagement with Clever Nelly. They specifically cited the fact that users with the highest engagement rates with the AI had the greatest impact on KPI improvement.

This clear correlation between engagement and knowledge improvement was also re-enforced by the fact that they had a 29% knowledge difference between the most engaged and least engaged users.

The 'Forgetting Curve'

German psychologist, Hermann Ebbinghaus, hypothesised that training material is exponentially forgotten from the moment a learner consumes it unless efforts are made to preserve it. His study – now famously characterised by the 'Forgetting Curve' – demonstrated the decline of knowledge retention over time; concluding that we forget as much as 80% of what we taught within the first 30 days when there is no attempt to retain it.

The Forgetting Curve supports the concept of one of seven kinds of memory failure: transience; the process of forgetting occurring with the passage of time. And, whilst the overall rate of forgetting differs little between individuals, the speed in which individuals forget can be impacted by the difficulty of the material, how meaningful it is, and how the material is provided for assimilation to the learner.





9 out of 10 employees prefer our continual assessment approach.

We continually reviewed employee adoption of Clever Nelly at Microsoft, asking them to provide feedback via an employee survey to gauge sentiment in relation to **user experience**, **content relevancy** and **application of knowledge acquired**. These were conducted at specific intervals aligned with the program objectives and measures set by Microsoft and Elephants Don't Forget.

94%

Of employees agreed or strongly agreed that Clever Nelly had the potential to improve their workplace knowledge.

94%

Of employees agreed or strongly agreed that having more in-role knowledge would help them perform better in their role.

93%

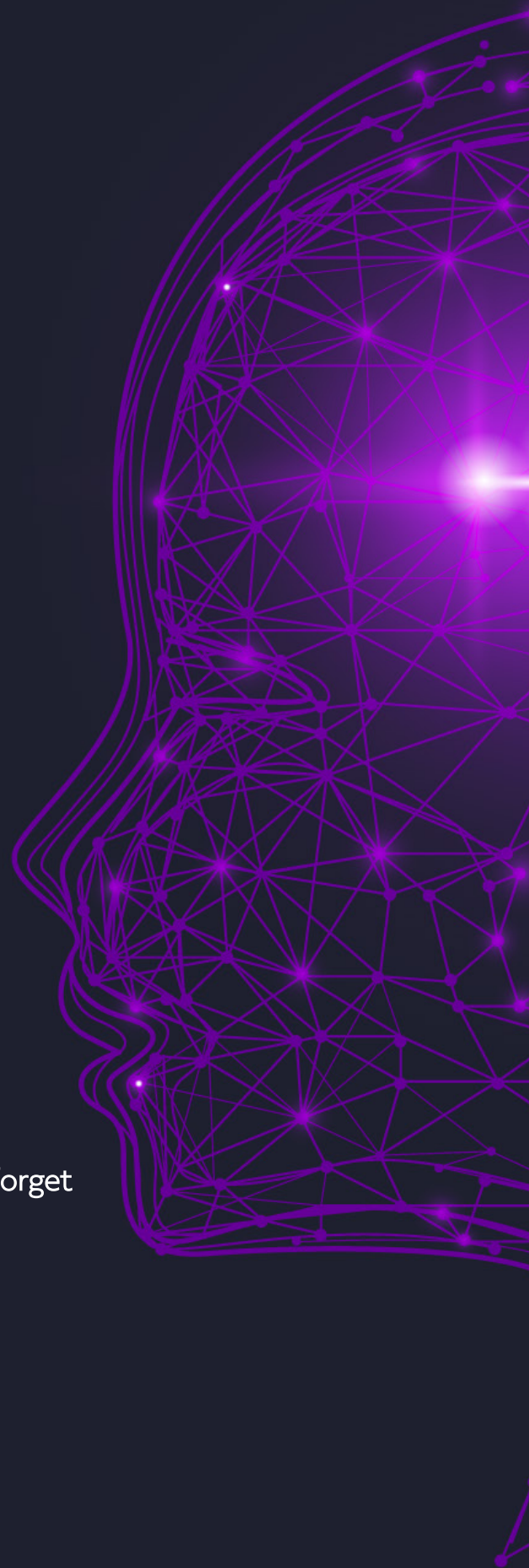
Of employees agreed or strongly agreed that knowledge reinforcement through Clever Nelly would help them feel more confident when speaking to customers.

95%

Of employees agreed or strongly agreed that Clever Nelly help to highlight the areas of their role they did not know as much about as other areas.

93%

Of employees agreed or strongly agreed that they felt their knowledge had improved since they started using Clever Nelly.



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