



Forecasting for Shrinkage

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About this document

This document accompanies the CommunityWFM College webinar *Forecasting for Shrinkage*. It includes additional details and step-by-step instructions for completing the tasks discussed during the webinar.

What is shrinkage?

Shrinkage is any scheduled or unscheduled activity that takes an agent away from their primary function. Including shrinkage in your forecast is the amount of “over-scheduling” you must plan to have the right number of agents working at any given time.

We need to quantify these shrinkage numbers because if you don’t include them in your plan, you may underestimate your staffing requirement, which will affect service level. Analyzing the **types** of shrinkage lets you focus reduction efforts on the areas you can control.

For forecasting and scheduling the total shrinkage number is important, but for reporting purposes, shrinkage descriptions typically break down into two types:

- **Discretionary shrinkage** = things that you plan – meetings, breaks, coaching, training, special projects, offering time off.
- **Non-discretionary shrinkage** = things you don’t control – agent behavior. Calling-out sick, coming in late, going home early, FMLA.

CommunityWFM stores the default discretionary and non-discretionary shrinkages in the Enterprise Model – Forecast defaults. These can be stored individually by activity or at any level in the Enterprise Model.

What about vacation time/planned time off (PTO)? Some centers might consider PTO discretionary shrinkage – because it is planned and may be granted or denied. Other centers might consider it non-discretionary because agents who have accrued time and make a request will have that request granted – it’s not controlled by the scheduler. It’s important to discuss how you plan to identify PTO events in your center and be consistent when designating the shrinkage types.

Understanding non-discretionary shrinkage enables better management of agent behavior and generation of accurate staffing requirements. By optimizing shrinkage, you can offer more



consistent customer service, better agent coaching, more efficient management, and create more effective policies.

With CommunityWFM you can define shrinkage in the Event type settings, make forecasts using historical shrinkage, and run reports specifically for shrinkage.

How do you calculate shrinkage?

Accurate forecasts of workload are critical and it's important to be intentional when calculating shrinkage. Most contact centers average around 30% shrinkage, but it can range from 20% to 50% or more. The range depends on your business type and culture and can even vary between departments within a center.

Assume your center has 30% shrinkage. You need to have 100 agents available at a given interval of the day to meet your service goals. To meet this demand, you need to schedule 143 agents.

Why 143 agents when shrinkage is 30%? Isn't $100 \times 30\% = 30$? So why wouldn't we schedule 130 agents to have 100 remaining after shrinkage?

The shrinkage calculation trap

This is one of the biggest misconceptions and miscalculations that occurs when determining proper shrinkage.

You schedule 130 agents to be on the phones tomorrow for the interval 8:00 a.m. to 8:15 a.m. By tomorrow morning, 30% are absent due to shrinkage...how many agents remain?

130 agents – 30% shrinkage = ?

The answer is 91 agents remaining instead of the 100 we need. Thirty percent of 130 agents = 39 agents lost due to shrinkage.

You are already short-staffed by nine agents in that single interval of the day.

To determine true schedule needs after shrinkage, use the following calculation:

$$\text{Required Base Staff} \div (1 - \text{Shrinkage \%}) = \text{Total Staff Required}$$

$$100 \div (1 - 30\%) = 142.85 \text{ or } 143 \text{ agents}$$



What affects shrinkage?

Shrinkage can vary by time of day, day of week, and even by different agent groups, so using one percentage for the whole center may not produce the most accurate forecast.

Seasonality: Just like call volume, shrinkage is seasonal. Winter snowstorms, summer hurricanes, back to school time will affect your shrinkage. Setting up a default number in your Enterprise Model may get you close, but using a forecast profile for the shrinkage forecast can get you closer because it looks at the intervals for shrinkage.

Day of week: Mondays and Fridays tend to have higher absenteeism.

Time of day: Shrinkage may be higher in the morning when people are late, or in the afternoon when there are team meetings and coaching activities.

Creating a shrinkage forecast profile using historical data will account for these factors.

Shrinkage profiles

CommunityWFM offers several options for using past shrinkage from published schedules to create a forecast. Most of these options use a user-defined maximum discretionary and maximum non-discretionary shrinkage per interval. Manual entry and Excel are not options.

Below is a list and short description of each type. Note that the names and concept behind each are analogous to the types of contact volume profiles.

- **Dynamic:** Choose the number of consecutive recent past weeks.
- **Static:** Choose past weeks, which can be non-consecutive.
- **Date Range:** Choose a past date range, which can begin and end on any day of the week.
- **Static from Special Calendar Events:** Choose a Special Event and the number of past instances. Create the Special Event before creating this profile.

Not available for using past shrinkage from published schedules:

- **Manual Entry:** Enter the desired shrinkage percentages by day of week and quarter hour. These percentages are user-defined and not historical from published schedules.
- **Excel:** Upload shrinkage percentages by date and quarter hour. These percentages are user-defined and not historical from published schedules.



Step-by-step

Assign shrinkage type to events	
Settings > Application settings > Event type settings > Event types	
<p>Update the shrinkage type for each event.</p>	<ol style="list-style-type: none"> 1. Select the event type to open the Steps to Success. 2. Click <i>Set up the basic properties</i>. 3. In the Shrinkage Type drop-down menu, select the shrinkage settings for this event (no shrinkage, discretionary shrinkage, or non-discretionary shrinkage). <div style="border: 1px solid #0070c0; padding: 5px; margin: 10px 0;"> <p>Shrinkage Type</p> <p>Hours of this type represent discretionary shrinkage hours ▾</p> <p>Hours of this type do not represent shrinkage hours</p> <p>Hours of this type represent discretionary shrinkage hours</p> <p>Hours of this type represent non-discretionary shrinkage hours</p> </div> <ol style="list-style-type: none"> 4. Repeat for each event type.
<p>Ensure that each event type has shrinkage defined. You can do this now and it will retroactively apply in the reports.</p>	

Prior to continuing, make sure that the weeks of your published schedule that you plan to include in your forecast profile have all the events with shrinkage included [absences, late arrivals, early departures, etc.]. This is required for an accurate shrinkage forecast.



Create a shrinkage forecast profile

Forecast > Forecast profiles

For shrinkage, the most common type of profile is dynamic or static.

1. Select *Click here to create a new forecast profile*.

Step 1: Basic properties

2. Give the profile a name e.g., 4-week rolling. Description is optional.

3. **Change *This profile will contain what type of date?* to *Shrinkage percentages*.**

4. Click *Next*.

Step 2: Select data source type

5. Select *Dynamic Profile*. You can also use any of the other profiles depending on your business.

6. Click *Next*.

Step 3: Define forecast profile collection parameters.

7. Designate maximums for discretionary and non-discretionary shrinkage (a good rule of thumb is to double what you have in the Enterprise Model). This doesn't mean it will use that maximum number – it just won't go higher. Consider running a shrinkage report for the interval and review the *Executive Summary*. This will show the total /discretionary/non-discretionary shrinkage values.

8. Enter the number of weeks to use for the dynamic profile.

9. Click *Finish*.

Now you can incorporate the forecast profile into a working forecast.



Create a forecast	
Forecast > Working forecast	
Generate the contact volume forecast.	<ol style="list-style-type: none"> 1. Open a working forecast or create a new one. 2. Generate the contact volume: Click <i>Generate forecast data</i>, select an activity, and enter a date range. 3. Go through the steps to generate the contact volume forecast.
Generate the shrinkage forecast. You could choose the Enterprise level but it's better to run it at the site level and revise at the folder or activity level.	<ol style="list-style-type: none"> 4. In the Steps to Success, skip Service Targets and expand the Working Forecast Shrinkage Percentages. 5. Click <i>Generate forecast data</i> <p>Step 1: Basic properties:</p> <ol style="list-style-type: none"> 6. Select a site, folder, or activity, and then add the dates. Run it for the same week that you've created your contact volume forecast. 7. Click <i>Next</i>. <p>Step 2: Select forecast profile</p> <ol style="list-style-type: none"> 8. Click <i>Select</i> for your shrinkage profile. 9. Click <i>Next</i>. <p>Step 3: Configure profile details</p> <ol style="list-style-type: none"> 10. This will typically be blank. The only time you'll need to do anything here is if you use an Excel spreadsheet to upload historical data. 11. Click <i>Next</i>.



<p>This forces you to import the data. The system just grabbed the data you pointed it to.</p>	<p>Step 4: Import forecast data</p> <p>12. Click <i>Import data</i> and when complete click <i>Next</i>.</p>
<p>This is asking how you want to average the data.</p>	<p>Step 5: Select forecast method</p> <p>You have two options.</p> <ul style="list-style-type: none"> • Classic Community Forecast – is a simple average. It adds the data and divides by the number of weeks in the profile. • Weekly Weighted Average – allows you to apply a weight to each of the weeks to tell it which weeks to focus on.
	<p>Step 6: Forecast method details</p> <p>13. If you chose <i>Classic</i> the next screen is blank. If you chose <i>weekly weighted</i>, you would select the relative weight for each week.</p>
<p>CommunityWFM just generated the expected shrinkage based on the profile that you used.</p>	<p>Step 7: Generate forecast</p> <p>14. Click <i>Generate forecast</i> and when it's complete click <i>Finish</i>.</p>
	<p>Publish the shrinkage forecast data (but you don't have to).</p>
<p>Review the shrinkage report.</p>	<p>It's best practice to review the <i>Forecast Shrinkage Report</i> to ensure the numbers make sense.</p> <ol style="list-style-type: none"> 1. In the navigation pane, click <i>View forecast reports</i> in the Working Forecast Shrinkage Percentages section. 2. Select the same <i>Activity</i> and date range. 3. Click <i>Apply options</i>. 4. Select the <i>Week</i> tab to view the numbers that Community will use for shrinkage percentages for that week.



Working forecast staffing requirements	
Generate clusters	
Generate Staffing requirements .	<ol style="list-style-type: none"> 1. In the navigation pane, click <i>Generate clusters</i> under Working Forecast Staffing Requirements. 2. In the pop-up window, click <i>Generate clusters</i>. 3. Click <i>Finish</i>.
Generate forecast data	
	<ol style="list-style-type: none"> 1. In the navigation pane, click <i>Generate forecast</i> under Working Forecast Staffing requirements. 2. Select the activity/site and date range then click <i>Next</i>. 3. Click <i>Next</i> to use the default service metrics.
	<p>Step 3: Shrinkage percentage sources</p> <ol style="list-style-type: none"> 4. You can edit each activity individually or click <i>Edit all</i> at the bottom of the page. 5. In the pop-up window, select <i>Working forecast shrinkage forecast</i> (or published forecast shrinkage forecast if published) as the source. 6. Click <i>Save</i>. 7. Click <i>Next</i>.
	<p>Step 4: Generate intermediate forecast</p> <ol style="list-style-type: none"> 8. Click <i>Generate forecast</i>. 9. When complete, click <i>Finish</i>.
Confirm and verify the staffing requirements.	<ol style="list-style-type: none"> 10. Click <i>View forecast reports</i> under Working Forecast Staffing requirements. 11. Select the site and date range then click <i>Apply options</i>. 12. Select the <i>Staffing FTEs</i> tab in the report and verify the Total Adjusted FTEs. This tab includes the data from all the tabs and provides a more complete picture.



Publish forecast data	
This publishes the forecast so the data can be used in creating schedules.	<ol style="list-style-type: none"> 1. In the navigation pane, click <i>Publish forecast data</i> under Working Forecast Staffing requirements. 2. Select the site and date range. 3. Click <i>Publish Forecast</i> then click <i>Finish</i>.

Shrinkage reports

Viewing shrinkage reports	
<p>View data in graph and table form including the total shrinkage, discretionary shrinkage, and non-discretionary shrinkage for the date range in a published forecast or published schedule.</p> <p>Reviewing reports can help you make better decisions for forecasting and scheduling in your call center.</p>	
Report > Published schedule > Shrinkage report	
View Shrinkage Summary .	<ol style="list-style-type: none"> 1. Select an Activity and date range. 2. Click <i>Apply options</i> 3. Select the tabs at the top to change the view between Date, Week, Month, and Executive Summary. View by Shrinkage percent or Shrinkage hours.



Viewing forecast shrinkage report	
Report > Published Forecast > Staffing requirements	
<p>This report (instead of Report > Published forecast > Shrinkage percentages) includes information in addition to shrinkage, which can help you evaluate the overall effects on your call center.</p>	
<p>View shrinkage for the published forecast.</p>	<ol style="list-style-type: none"> 1. Click <i>Show options</i>. 2. Select an Activity and enter a date range. 3. Click <i>Apply options</i>. 4. Select the Staffing FTEs tab. 5. Use the tabs at the top to change the views. Use the hamburger menu (☰) to export the graph as an image or the table as an Excel or CSV.

Comparing your forecast to actual shrinkage can help you plan for better coverage with future schedules.