

SURVEY SAYS . . . The Top 8 Contact Center Improvement Areas for 2002

Ben Diehl, Manager, The Customer Group, LLC

During early 2002, The Customer Group, a leading customer strategy and interaction management consulting firm, interviewed vice presidents, directors and managers of more than twenty leading organizations to determine their customer interaction (contact center) business improvement priorities. The following article outlines the findings and discusses key initiatives among interaction centers of all sizes across industries.

Findings

While customer satisfaction and retention remain important, contact center business improvement initiatives remain focused on cost reduction - in the form of contact abatement, process streamlining and infrastructure rationalization.

If you are interested in prioritizing where your management team should focus, check out the *8 Critical Areas* listed below. Senior managers of companies surveyed (along with many of our clients) identified the following "Top 8" as significant improvement opportunities.

The Contact Center Feedback Loop - Tighten it up!

The "Contact Center Feedback Loop" is defined as the process and tools whereby insights are captured at the customer interaction-level and are "fed back" into other relevant functions within the company. Traditionally, the Customer Service organization has shared insight in an ad-hoc fashion, delivering information inconsistently to Marketing or back-office functions only - if at all. Even today, most interaction monitoring and evaluation is done only for coaching or compliance purposes only. Leading companies are realizing how important it is to involve a much broader range of corporate functions in the review of current customer interaction data and to understand the true nature of customer contact drivers ("why customers call") and develop solutions to reduce cost while improving the overall customer experience.

The formalization of the Feedback Loop function involves the following:

- Identify feedback loop objectives - directly related your organization
- Define "listening" and "read out" practices
- Establish roles & responsibilities - ensuring accountability
- Identify technology/tool requirements
- Manage process and technology implementation
- Capture, prioritize, quantify and package findings
- Involve an inter-departmental task force in the process
- Develop improvement oriented programs
- Use process to measure impact

One critical component of a Feedback Loop initiative is identifying baselines of key operational performance and methods for measuring against the baseline. This requires a detailed quantification of the contact types and percentages by call type, by product type, by customer type, or other relevant segmentation. An understanding of the true contact drivers must also be uncovered.

Once the baseline is established, functional management teams can measure the potential impact of new business solutions or changes to business policy that affect the customer experience and interaction volumes. Management will be able to receive immediate feedback on business changes. As was said by a senior executive, "*The contact center is the window into the health of the rest of your organization - and from a very important perspective - your customers.*" And, at the end of the day, the customer's perspective is the only perspective that really matters.



Optimize Self-Help Platforms - IVR & Web

A regular review of your automated voice platforms and web-based self-help effectiveness is critical. Too often, as contact centers evolve functionally, or the customer base changes, products and services change; the routing and interaction voice response (IVR, *aka* ARU, VRU) functionality begins to deteriorate in effectiveness. Web sites fail to reflect changing customer service needs.

By reviewing your key contact drivers (ie. Feedback Loop) and your customer contact strategy, you can determine if your automated voice platforms are achieving business goals.

Increasingly, many customer segments (and often high value ones) have become accustomed to self-help modes of interaction. Speech recognition is coming of age - opening up new avenues for IVR self service. As leading companies deliver on this expectation, the gap between leading and lagging will continue to expand - competitive is being created via customer service. Gone are the days of businesses offering universal 100% live agent service. Customers will still need it - only after they have exhausted a web and IVR self-service avenues.

Key Self-Help Considerations

- IVR Utilization - Am I achieving all I can with self-service?
- How flexible are my platforms to deliver new functionality?
- Am I ready to introduce speech recognition or concatenated text-to-speech?
- Should I consider a network IVR model? What are the benefits? The costs?
- What is the purpose of our web-based interactions? Are they meeting the needs of our customer base?

Improve Service Level Management - Real-Time

Consistently meeting service level and quality goals are accomplishments in themselves. However, consistently missing daily service level goals, struggling with cost per contact, high agent attrition, abandonment, (and so on) will likely result in a management shake-up and worse - customer attrition and poor financial performance.

Focusing on the operational basics and driving consistent processes across multi-center organizations, significant financial (and emotional) benefits can be realized. Contact center managers have begun refocusing on process improvements and leveraging industry best practices in such critical areas as:

- *Forecasting accuracy*
- *Effective scheduling processes*
- *Service level triggered scripting*
- *Real-time call volume management processes*
- *Staffing for peak vs. smooth vs. random*
- *Interactive training and simulation*
- *Optimizing real-time reporting*
- *Real-time communication across the organization*

Process improvement initiatives focused on real-time service level management processes can deliver both cost improvement as well as improve your ability to meet daily performance metrics - satisfying your end customer.

Optimize Desktop Automation - Understand Agent Workflow

Call center agents are at the mercy of desktop applications. Even the most experienced agents are unable to effectively handle customers if desktop automation is sub-optimal - which it turns out - many are.

In several cases, an operational CRM platform is implemented to deliver improvements both in agent efficiency and effectiveness. However, all too often, this desktop functionality does not effectively support the true needs of the agent or the business - not to mention the customer.

Managers found that desktop development efforts failed to understand the range of needs of both the agent and management. Decisions related to screenflow, organization, usability and reporting were made by those responsible for programming - not those ultimately responsible for use - customer service.

Businesses are investing millions for functionality that seemed promising - but are now only hoping to mimic what was once the status quo. Why? The desktop technology that was to be "the solution" remains only an enabler.



Technology jumped out to an early lead - but People, Process and Strategy are closing fast! Process and people become workflow, which must find its way into desktop application design.

When embarking upon desktop automation initiative, recognize that the benefits promised by those responsible for software delivery and programming will only be realized if:

- *Users are involved throughout the design and delivery*
- *Management reporting needs are fully understood and addressed*
- *Performance needs are known and addressed - speed, reliability*
- *Integration to all required data sources is part of the initial design*
- *Required functionality is not part of the "next release"*

Deploying and leveraging a customer-centric and work-flow based approach to desktop automation and process streamlining, significant benefits in agent handle time and overall contact quality can be achieved. Modifications to screen-flow and scripting are easily identifiable when you have a clear understanding of key contact drivers, and the most common customer challenges and issues. Focusing on workflow will allow you to identify and document your 'best practice' contact handling strategies - and ensure your entire agent population is thoroughly trained on these 'best practices' - and your desktop applications are enabling the right level of performance.

Agent and Supervisor Performance - Manage It

Nowhere else are the management mantras "incentives drive behaviors" and "you can't manage what you don't measure" more true than in the customer contact environment. Your performance management programs, the metrics and incentives that are explicit (and implied) will determine the success of your center---more than any other aspect of your operation.

Contact center management should continuously be reviewing the overall customer contact strategy and ensuring that performance management programs drives the behaviors that will deliver your desired results. This cannot be left on auto-pilot. It must be managed. "Management" of your performance implies constant measurement and the recognition of the need for an overhaul from time to time.

Your performance management system should be evolving into a best-in-class system. If this aspect of your center is "working," chances are you are managing a very effective contact center - but leading centers realize that this is not a destination - it is a journey.

Could your performance management program use an overhaul?

- How effective are your daily agent scorecards?
- What is the quality of the information being reported?
- How effective is your supervisor coaching & feedback? Your QA team's feedback process?
- How effective is your regular agent (and supervisory) formal review process?
- Does your performance management system drive the right behaviors regarding handle time, quality, sales, first-time resolution?
- How satisfied are your employees?

Give Your Infrastructure a "Tune Up"

Are you expecting 2002 caliber performance from infrastructure that is physically incapable of delivering? Do you even know everything you have? How much is this costing you?

Many managers found that they were challenged to deliver with existing capabilities - while also not completely sure of just exactly what functionality was lying dormant within their organizations - "shelfware."

Managers recognized that in many cases a "tune-up" was required... and to first run the appropriate set of tests - determining what is and what is not functioning properly. Contact centers are typically a blending of various point solutions and technologies - each with their own support requirements, practices and processes. Carriers (local and long distance) are involved, premise based hardware, various software applications, integration to legacy systems - and the entire infrastructure along the way that makes this work.

Often what is in place grew organically - and a periodic rationalization and "tune-up" will identify opportunities to re-evaluate current capabilities and configuration - and changes in the interest of optimization.



Most are running below where they should and require changes - which can only be done through a diagnostic - followed by the many changes identified - and results will follow.

Multi-Channel Contact Support - A Must.

"How shall I contact thee? Let me count the ways."

Inbound voice. Outbound voice. Email. Web. Chat. White mail. Fax. IP. The multi-channel world is here to stay.

Just as customers grew to expect toll-free numbers as the norm - even from the government - customers (both B2B and B2C) are expecting email interaction channels, web-based self service - and in certain cases - speech recognition and text chat.

If you handle different contact types in an integrated and standardized framework, you are creating the customer impression of being both a '*smart company*' and one committed to customer service. Today, far too many companies, well, "are not there yet." This is being done - not just to offer customer convenience - but to lower total delivered support costs.

While effective multi-channel contact handling is often dependent on a well-implemented CRM platform (not just the application - but the processes, training and more), many contact centers still have poor business processes that are not standardized and certainly not integrated across interaction channels.

Improving your multi-channel processes coupled with honing your existing desktop functionality can lead to both cost-saving opportunities as well as delivering the truly integrated experience that many of today's customers demand. Upgrading your existing technology or investing in new tools is often easily justifiable from an ROI perspective and the softer benefits of customer satisfaction are immeasurable but material - assuming the technology enables the experience and does not try to become it.

A shift of even five (5) to ten (10) percent of a company's interactions to an alternative, lower cost channel can deliver significant cost savings (or at least, cost containment). In many cases, the introduction of additional channels has resulted in a considerable shift in the contact mix away from live voice (the most expensive!).

Many managers have realized this the hard way - new technology will not deliver results without the accompanying review and change of existing business processes. This is an initiative that every contact center operation with multiple contact types should evaluate - today.

Consolidate Sensibly.

With the recent emphasis on cost reduction and downsizing, many executives find themselves facing the need to consolidate operations. Consolidation initiatives many times have the added complexity of occurring in the midst of other major business or technology initiatives. The human factors and other costs can be extremely expensive and must be factored into the overall cost modeling and justification for consolidation.

Several key factors contribute to sensible consolidation:

- Don't consolidate for consolidation's sake. Ensure sound justification is in place, the target labor market will support the business and that the overall savings will actually materialize. Labor arbitrage can be a significant long-term cost savings strategy.
- Ensure effective integrated program management. There are many moving parts. Track all action items, responsibilities, timelines, issues, risks and status - around each curve along the way.
- People make the difference. Ensure the local workforce will support your business for the long-term. Stable, educated and priced appropriately.
- Look internationally. Overseas markets make sense for certain business processes - evaluate the possibilities of an offshore solution.
- Look to a credible outsourcer. If consolidation makes sense - take it a step further and evaluate your core competencies - and the possibility of a further reduction to your overall cost structure.



Consolidation - at the right time, in the right place - also creates an opportunity to evaluate and rationalize applications, practices and infrastructure - driving additional cost savings.

Summary

Senior Vice Presidents of Operations, Marketing, Vice Presidents and Directors of Customer Service, Contact Center Managers and Supervisors are all asking themselves:

- "Have I been giving these critical areas the management attention they deserve? Is there opportunity for business improvement?"
- "Have I carefully quantified the true costs of my existing operation—and do I understand the benefit potential of possible improvements?"
- "Do I have the resources and expertise needed to make changes? Can I afford not to?"

When initiatives are directed at the eight (8) areas discussed, properly scoped and tightly managed, positive returns on investment (ROI) are almost assured.

About the Author

Ben Diehl is a manager with The Customer Group, LLC. Ben has led many projects that have delivered tangible business results within clients' customer service and support operations. Specific project experience includes customer care strategy, self-service strategy, process analysis and redesign, utilization of enabling technologies, performance management development, financial analysis, and change management. Ben has experience across many industries including travel and hospitality, financial services, customer service outsourcing, telecommunications, utilities, and consumer services.

About The Customer Group, LLC

The Customer Group is a leading customer strategy and solution advisor to companies across industries. Founded in 1999, The Customer Group, LLC (TCG) advises businesses in the delivery of Customer Interaction Excellence™ - generating business results through experience-based and practical solutions that deliver effective customer interaction. The company serves local and national clients, operating regional offices in Chicago, New York and Atlanta. The Customer Group's world-class team of consultants averages more than 10 years of experience in developing business strategy, designing effective customer-facing solutions, managing customer interaction operations and deploying enabling technology. Using the Company's proven methodology, CustomerAcuity™, consultants work with companies to enhance their customer experience. The Customer Group believes that customer relationships drive business results and relationships are built one interaction at a time. The company's results-driven and experienced based approach delivers pragmatic solutions and tangible improvements. Clients include Orbitz.com, Bank One, Charter One Bank, Credit Suisse First Boston, The Pampered Chef and many more. For information, please visit www.customergroup.com or call 1-800-452-9588.

