7 Major Challenges for the Contact Center
And How To Overcome Them
Challenge 1 -
Transition to Customer Experience Management

Customer Experience Management (CEM) has emerged as a new paradigm for modeling the agent-caller interaction. An important distinction between customer experience management and traditional customer service management is the notion that every interaction at any touch point constitutes an experience. The sum total of these experiences influences the customer’s view of the brand and the company. Customers that have negative views will choose other brands, if that option is open to them. If they cannot readily switch brands (because of barriers) these supposedly “loyal” customers may share their feelings with others – a likelihood made much easier with blogs – and thereby dissuade potential new customers and diminish investments made in communicating the brand promise. Implementing a CEM culture requires strong leadership, new technologies, training geared toward innovative problem-solving, and a fresh look at the metrics by which the contact center is measured.

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Significant Facts

- **Customer engagement and loyalty is the important priority in 92% of organizations** CUSTOMER EXPERIENCE MANAGEMENT IN ACTION! - Insight to Differentiate YOUR Company & Contact Center, ICMI, 2013

- **Almost half of contact centers have a customer experience management program currently in place** CUSTOMER EXPERIENCE MANAGEMENT IN ACTION! - Insight to Differentiate YOUR Company & Contact Center, ICMI, 2013

- **“Improving the customer relationship management process topped the list of goals for the next 12 to 24 months among survey participants.”** Executive Priorities 2013, Customer Management IQ

- **In the past year, over half (55%) of consumers have intended to conduct a business transaction or make a purchase, but decided not to based on a poor service experience.** 2012 Global Customer Service Barometer, Echo Research on behalf of American Express

- **“There were approximately 20 individuals with the title of Chief Experience Officer in 2003 and over 500 by 2011,”** Curtis Bingham, Founder and Executive Director, CCO Council
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**Solutions**

- **Personalization** - Treat every customer as an individual. Merge information from the CRM and other databases to present profiles and preferences via intelligent desktops that enable a unified view of all customer related data. Deploy advanced IVR systems that use computer voices matched to the caller and artificial intelligence to remember the consumer’s metadata and preferences, or utilize new Visual IVR technology to cater to the smart phone generation. Train agents to use the consumer’s name and probe for individual needs and preferences. Consider investing in “next best action” software to help agents select the best offer for the consumer, assisted by real time pop ups and guidance. Be proactive. Make outbound calls to Tier One customers to alert them to new products or specials well-suited to their preferences.

- **WFO for all touchpoints** - According to the United States Bureau of Labor Statistics in May 2012 there were 2.3 million people employed as customer service representatives. There were also 11.9 million, or five times as many, employed in other customer facing roles such as waiters, cashiers, bank tellers, and retail sales. Consumers form their impressions based on aggregate experiences. Customer centric organizations need to adopt a customer first philosophy with all of their personnel and deploy WFO applications such as quality management and workforce management to assure a consistent level of interaction quality throughout the organization.

- **Enterprise Feedback Management** - There are survey tools available today to measure customer satisfaction at multiple touch points. When paired with speech analytics, management can drill down into consumers open-ended comments about service quality to help determine causes of poor or superior customer quality.
Challenge 2 - Maximize Financial Contribution

For cost cutters, the contact center is a target-rich environment. The function is labor-intensive, highly visible, and is costly to fund and operate. A recent survey of executives showed that 25% of firms surveyed spent $1 million or more annually on the contact center. The good news is that there are a lot of ways that the contact center can generate additional revenue and also control costs. And unlike many other functions in the enterprise, contact center managers have a wealth of data to paint a convincing picture of the contribution of the contact center.

Significant Facts

- “A five percent reduction in the customer defection rate can increase profits by 25% to 80%, and seven out of 10 customers who switch to a competitor do so because of poor service.” The Loyalty Effect, Frederick Reichheld, 1996

- Two-thirds of consumers are willing to pay more for excellent customer service. 2012 Global Customer Service Barometer - Findings in the United States - Echo Research on behalf of American Express

- Reducing the cost of serving customers and increasing revenue potential are tied as Number One Contact Center goals. The Next Generation Contact Center, produced by Forrester Consulting and sponsored by Aspect Software, June 2012

- “Driving sales and achieving high levels of customer service are not mutually exclusive; call center employees can have sales conversations without weakening the customer experience.” Lee Clayton, Gallup Organization, September 20, 2013

- Revenue generation is a primary function of four out of 10 contact centers. Customer Experience Management and Action - Insight to Differentiate YOUR Company & Contact Center, ICMI on behalf of Avaya, 2013

- The average cost of IVR self-service is about $.45 compared with about $5.50 for assisted service. Great Expectations: Self-Service Success Can Happen, Yankee Group, 2006

- “An inbound contact center with 250 agents can save nearly $235,000 annually (or the equivalent of seven full-time agents), by increasing FCR by only 5 percentage points, from 75% to 80%.” 10 Secrets to Boosting First Call Resolution, Dick Bucci, Pelorus Associates, 2010
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• **Up Selling** - Every contact represents a revenue growth opportunity. For some agents up selling is easy, natural, and adds an opportunity to increase earnings.

• **Decision guidance software** - Based on known data about each consumer and the selection of product and service options available, these systems can help the agent select, in real time, the best offer for that particular customer. Essentially the system adapts to the conversation and not the other way around, significantly improving the experience for the customer.

• **Proactive outbound calls** - When inbound traffic is slow, agents should be motivated to make outbound calls to select customers.

• **Screen for sales leads** - While conversing with customers agents can ask questions that could lead to sales opportunities.

• **Increase IVR containment** - Successfully divert more calls to self-service by simplifying and visualizing the IVR interface (i.e. – Visual IVR) and extending robust self-service capabilities to smart phones.

• **Increase First Call Resolution rates** - FCR is one of the few metrics that simultaneously reduce costs and boosts customer satisfaction.

• **Workforce management software** – WFM cuts costs and increases productivity by optimally matching labor requirements to traffic demand.

• **Intelligent desktops** - These applications reduce handle time and improve FCR by presenting required information to the agent at the time it is needed.

• **Process analytics** - Navigating screens and applications takes agent time and is often error-prone. Modern analytic tools can help find the most efficient way to streamline workflow.

• **Analyze cost effectiveness of investments and processes** - ROI is one of many financial analysis tools that can help call centers determine whether investments in technology and internal processes actually produce the anticipated savings.

• **Home-based agents** - While not for everyone, home-based agents cost substantially less than brick-and-mortar operations.
Challenge 3 - Growing customer satisfaction

Senior management understands that the quality of interactions at all touch points is critical to achieving revenue, profitability, and customer care objectives. As well, management of progressive companies see superior service as a competitive advantage and are equally concerned about both operating costs and customer satisfaction. This means that it is no longer sufficient to simply provide a satisfactory interaction. We must aim higher, to not just satisfy consumers but to delight them with a memorable customer interaction. The challenge is to balance the twin goals of delighting consumers while controlling operating costs.

Significant Facts

- 64 percent of consumers switched from at least one service provider—a bank, utility or wireless carrier, for example—due to poor customer service in 2010. Accenture 2010 Global Consumer Research executive summary

- The overall customer satisfaction score for contact centers across a spectrum of all industries was 77 in 2012, the highest in six years of reporting. The contact process policies and procedures top the list of drivers that can most impact customer satisfaction. Contact Center Satisfaction Index 2012, CFI Group

- “Eighty-six percent of customer service decision-makers say that a good customer experience is one of their top strategic priorities”. The State of Customer Experience 2011, Forrester Consulting

- When IBM asked senior marketing executives to list the seven most important metrics to gauge marketing success the quality of the customer experience ranked second only to ROI. Insights from The Global Chief Marketing Officer Study, IBM Institute for Business Value, 2011

- “A great many (69.1%) agents are navigating around multiple screens and interfaces in order to locate information. Almost half (49.1%) are asking each caller for basic contact information and 41.1% are manually keying in customer contact information.” A WOW CUSTOMER JOURNEY! - Actionable Data in Today’s Multichannel Contact Center, ICMI, 2013

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- **Metrics that Matter** - Customer ratings using five or seven point scales are the most common metric for gauging customer satisfaction but others such as Net Promoter Scores and Customer Effort Scores are gaining popularity due to their demonstrable relationships to customer behavior.

- **Root cause analysis** - In order to make changes you need to know what key factors are driving customer satisfaction. Beyond the obvious, root cause analysis which uses advanced speech analytics to burrow through mounds of recorded interactions can uncover previously unknown but significant causes.

- **Unified desktops** - It is well documented that first call resolution rates are important predictors of customer satisfaction. Unified Desktop solutions not only save money by speeding handle time but also boost customer satisfaction by relieving callers of the need to repeat information and by quickly resolving issues by drawing upon internal and external databases.

- **Intelligent call back** - Today virtually every consumer has a mobile phone and over half of these are smart phones. Busy callers cannot wait on hold if they are driving or engaged in some other activity while on the phone. The intelligent callback feature of Jacada’s Visual IVR application allows the user to request a callback and be informed of the wait time.

- **Multichannel communications** - While voice remains the widely preferred mode of communication there are a growing number of consumers that prefer to communicate by text, email, chat, or even social media. Contact centers should be prepared to achieve defined service levels for each communications channel offered and reply to the consumer over their preferred mode.
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Challenge 4 - Attracting and Retaining Top Agents

Despite all the advances in technology the success of the contact center continues to and probably always will rely most heavily on the individual agent. Direct telephone communications remains the most favored communications channel. Attracting and retaining quality agents is Job One. The position of a customer service representative includes flexible hours, there’s the camaraderie of working with a team of people, and a college degree is rarely required. One would think that it would be no problem attracting and retaining agents, but turnover has remained persistently high despite periods of rising unemployment.

Significant Facts

- “Recruiting employees with the proper skill sets “(57%) and “Increasing employee morale” (55%) are the two most frequently cited human resource challenges faced by contact center leaders. 2011 Intradiem Contact Center Productivity Survey, produced by Unisphere Research and sponsored by Intradiem
- “The cost to find, train, and replace just one call center agent averages $4000.” Working Successfully with Gen Y, Kevin Childs, Becky Thorne and Kate Donovan, Manpower Group, January 1, 2013
- Agent attrition hovers around 30%. The True Cost of Attrition, Rudy Vidal (InContact) and Matt McConnell (Intradiem) on behalf of InContact, (2007)
- For higher complexity calls, a 2.5% improvement in employee satisfaction equals a 5% improvement in customer satisfaction. Contact Center Employee Satisfaction & Customer Satisfaction Link, Mike Desmarais, Pres. and founder, SQL Group, 2005
- “I can live for two weeks on a good compliment.” Mark Twain
- “In 2012 and beyond, customer service leaders will continue to work on simplifying the agent workspace and making it more usable.” Navigate The Future Of Customer Service - Fifteen Trends Drive Planning For Customer Service Transformation, Kate Leggett Forrester Consulting, January 30, 2012
- Three of the top four reasons for agent turnover have to do with the lack of career opportunities. Agent Staffing & Retention Study Final Report, ICMI 2005
Solutions

- **Offload routine work to self-service** - Agents like to be challenged. Tedious, repetitive work can be automated.

- **Scripting** - Dynamic Scripting tools help avoid compliance exposures and help service centric employees develop sales skills.

- **Empowerment** - Provide deserving agents with some discretionary authority and even small budgets to solve problems on the spot without need to consult higher authorities.

- **Recognize superior employees** - Showing appreciation when it is due is the cheapest and most effective way to keep superior performers on the job.

- **Gamification** - New software tools harness the competitive energies of employees through games in which they win points for answers, activities, and achievements.

- **Showcase your talent** - Agents are frustrated due to the lack of advancement opportunities. It is contact center management’s responsibility to showcase their people to other departments which may offer better advancement opportunities.

- **Provide scheduling flexibility** - Flexibility is a strong selling point that other occupations cannot easily match. Use workforce management software to help build schedules around employee requirements and offer a work at home option for employees with special needs.

- **Establish a career ladder** - Retain experienced agents by establishing job classifications that entail more responsibilities and command a higher income.
Challenge 5 - Reaching the Mobile Consumer

Today it seems that every human being over the age of nine has a cell phone and it’s usually of the smart variety – with apps, text, Internet access, music and even the ability to conduct conversations. The millennial generation is so wedded to these smart phones that according to Pew Research, over 80% of them actually sleep with their phones. The popularity of smart phones and portable tablet computers happened so quickly that contact center managers and their vendors are still struggling with ways to productively harness this technology. Everyone agrees that wireless voice and data represent a tremendous opportunity. Fortunately, a few innovative vendors have launched tools that genuinely add to the quality the customer experience when communications are conducted over smart phone and tablet computers.

Significant Facts

- Six out of ten of cell phone users and 56% of all U.S. adults now have smartphones. Internet and American Life Project, Pew Research Center, 2013
- Thirty eight percent of contact center professionals say their customers are asking for mobile customer service and 43% say their company views mobile customer service as a priority. Mobile Customer Service Strategy: The Contact Center, the Agent and the Challenges of implementation, ICMI, 2013
- Sixty three percent of contact center professionals agree that mobile customer service is a competitive differentiator. Extreme Engagement in the Multichannel Contact Center, ICMI on behalf of USAN, 2013
- “Mobile customer service applications will become a must-have capability” Navigate The Future Of Customer Service For Business Process Professionals, Forrester Research, 2012
- The most commonly used mobile support features in use today are scheduled call backs (28.4%), instant messaging (23.4%), and click to call (19.9%). Mobile Customer Service Strategy: The Contact Center, the Agent and the Challenges of implementation, ICMI, 2013
- “For consumers, the option to hold their place in the queue and go on to do something else is highly appealing, with 75% stating a preference for this channel.” Global 2011 Consumer Preference Report-Contact Centers, Forrester Research on behalf of Avaya
- Organizations reported that mobile CRM delivered significant improvements in key metrics, including a 60% increase in customer satisfaction, a 30% increase in sales, and a 30% increase in productivity. BearingPoint, 2011
- In the United States, an estimated 30 percent of Web browsing and 40 percent of social media use are done on mobile devices; by 2015, wireless Web use is expected to exceed wired use. Disruptive technologies: Advances that will transform life, business, and the global economy, McKinsey Global Institute, May 2013
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Solutions

- **Agent communications** - Solutions that allow agents to view schedules, submit schedule change requests, review performance ratings and other functions from smart phones.

- **Quality management** - Supervisors and quality analysts can review recordings and score agent performance from laptop or tablet computers.

- **Workforce management** - Several WFM vendors have launched applications that allow supervisors to view reports real-time, receive alerts, communicate with agents, and review time off request from their tablet computer or smart phone.

- **Mobile self-service** - Mobile customers engage in a self-service session that leverages the smart phone display to guide them through the self-service interaction. Menu choices are presented on the smart phone. The callback feature is available if the customer requires live assistance.

- **Visual IVR** - Visualized IVR menus are accessible from mobile devices. Customers on the go are not slowed down by having to dial in and listen to lengthy menus. They can scan their options on their mobile device and connect with companies faster and easier.

- **Mobile CRM** - Agents that must leave their desk can still view receive calls, view caller data, access knowledge bases, and enter data from their smart phone mobile computers.
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Challenge 6 - Compliance with Rules and Regulations

We live in litigious times and the contact center represents a highly visible target. With the proliferation of web sites and blogs, consumers are more informed about their rights than ever before. The direct cost of violations can be very high – over $600 million in penalties and restitution for violations that happened in the contact center have been meted out since 2012. Perhaps the greater cost is the number of customers that abandoned the brand and told others about their unhappy experiences.

There are hundreds of laws, regulations and industry standards that must be observed. It is impossible to be knowledgeable about all of them but there are a few common threads:
(1) respect individual privacy,
(2) provide complete and accurate disclosure,
(3) obtain informed express consent for transactions,
(4) be honest, courteous, and respectful to others.

One of the most basic practices is to use scripting tools to help assure that mandatory disclosures are provided. Use tools such as quality monitoring and speech analytics to ensure that agents are following instructions.

Significant Facts

• The Consumer Financial Protection Bureau (CFPB) has responsibility for administering the Truth In Lending Act, The Fair Debt Collections Practices Act, and 17 other federal laws governing consumer financial transactions, all of which have disclosure requirements.

• On June 14, 2014 the CFPB ordered GE Capital Retail Bank (GE Capital) to provide an estimated $225 million in relief to consumers harmed by illegal and discriminatory credit card practices. The Bureau found that GE Capital’s telemarketers misrepresented add-on products and failed to disclose that certain classes of consumers were not eligible for these products.

• In 2012 Capital One agreed to pay $210 million in fines and penalties for referring callers with low credit scores to a third-party call center where they were subjected to deceptive tactics to induce them to buy add-on products.

• In June 2013, the FTC announced that Mortgage Investors Corporation, one of the nation’s leading refinancers of veterans’ home loans, will pay a $7.5 million civil penalty, the largest fine the FTC has ever collected for allegedly violating Do Not Call provisions of the agency’s Telemarketing Sales Rule (TSR)
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- Three quarters of contact centers report enforcing compliance primarily through the quality assurance process. Customer Experience Management “Hot Buttons” ICMI 2012 on behalf of Avaya

- For financial institutions the three top security and compliance priorities are customer data fraud prevention, banking fraud prevention, and credit card fraud prevention. Customer Experience Management “Hot Buttons” ICMI 2012 on behalf of Avaya

- The Federal Trade Commission (FTC) receives more complaints about the debt collection industry than any other specific industry.

- According to the FTC over 279,000 people registered complaints about identity theft in 2011 making that the 12th year in a row that identity theft was the number one consumer complaint category

- 83 percent of calls to contact centers today require some sort of caller identification or verification, Opus Research.

Solutions

- Agent Scripting - Scripting software provides the best defense against inaccurate or overlooked disclaimers. Scripting is most effective when the script is automatically presented to the agent desktop when it is required so the call does not sound scripted.

- Quality management - The QM process should be intensified for businesses such as finance, insurance, credit cards, debt collection, telesales, securities, health care and others that are transaction-intensive and where privacy is a major concern. Add compliance as a quality rating item.

- Speech and text analytics - Contact center management should be able to quickly locate possible violations by key word, phrase, or absence of expected utterances.

- Predictive dialers - Dialer software should be programmed to prohibit calls during excluded hours and block calls to debtors who have formally requested that calls be stopped.

- Voice Biometrics - Biometrics are a promising technology for capturing potential fraudsters. The human voice is as unique as fingerprints. Some vendors have developed solutions that can match voices to known data bases with upwards of 95% accuracy.

- Compliance plan - Establish plans and procedures for maintaining compliance. These should be done under the direction of a compliance officer and/or outside counsel.

- Credit card privacy - If you perform a substantial volume of credit/debit card transactions comply with PCI-DSS standards and make sure you maintain strict processes that prevent agents from jotting down card numbers for later entry into the customer data base.
Challenge 7 - Harvesting big data

Full-time customer service representatives typically interact with consumers over 1000 times a month. Most of these experiences are mundane to the point of boring. But every now and then the CSR may get wind of something that others in the organization dearly want to know. Examples may be an unfavorable reaction to a cosmetic, an injury to a child using a new toy, an unanticipated application of a new product, dissatisfaction with the service or quality of a local franchise, new products or pricing from a top competitor, reactions to an advertising campaign, or reasons why a long-time customer chose to defect to a competitor. Businesses and organizations spend an estimated $30 billion annually on market research and business intelligence platforms in an effort to get answers to questions like these. Unbeknownst to many C-level executives, the organization probably already has answers to these and other important questions. The data is sitting untapped in the contact center in the form of recorded voice and data interactions. Harvesting this data and sharing it with people who have a need to know should be a great priority within brand conscious organizations. Available data indicates that less than half of contact center managers make an effort to condense and share this information. Collecting and sharing strategically significant consumer information represents an outstanding opportunity for contact center management to be recognized for making valuable contributions to problem solving and marketing strategy.

Significant Facts

- “Wal-Mart handles more than one million customer transactions every hour, feeding databases estimated at more than 2.5 petabytes – the equivalent of 167 times the books in the Library of Congress.” Data Data Everywhere, The Economist, February 2010

- Topping the list, 71% of chief marketing officers surveyed said they are unprepared for the current data explosion, Insights from the Global Chief Marketing Officer Study, IBM, 2011


- In the contact center you have the greatest reservoir of business intelligence in the company – the actual voices of your customers. Too often, we use this data only to evaluate agent performance. As a consequence, only 1–4% of these calls are actually analyzed, and then more on the basis of how the calls were handled rather than what was said. Using Business Intelligence to Transform Yourself into a Contact Center Hero, Pelorus Associates, on behalf of CallCopy 2011

- U.S. businesses and organizations spend $21 billion annually on market research. Market Research in the US, IBIS World, 2013

- Nearly 30% of organizations have initiated big data projects. Top-five contact center trends for 2013, Nemertes Research, 2013
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• **Obtain buy-in from direct management** - Adding a new mission will mean some rethinking of the metrics and targets by which contact centers are traditionally evaluated. This means gaining the understanding and support of your direct management.

• **Make business intelligence part of the mission** - BI will not get done unless agents understand that it is part of the job and they are trained and rewarded for collecting it. Metrics such as average handle time should be relaxed to allow for this activity. New metrics should be developed to measure BI contribution.

• **Initiate outbound calls during slow times** - Proactive calls to valued customers including those that have experienced problems will help uncover valuable information as well as help strengthen customer loyalty.

• **Speech and data analytics** - Analytics tools available today can be used to drill down to uncover root causes of customer expressions and behavior.

• **Voice of the customer surveys** - Add open-end questions to better understand consumer reasons for satisfaction ratings. Use speech analytics to quickly categorize and analyze this data.

• **Spread the word** - Issue periodic reports at least monthly as well as flash reports that may occur at any time. E-mail reports should include examples of actual recordings.
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About the Author
Dick Bucci is Principal of Pelorus Associates where he specializes in contact center technologies. He has authored twelve in-depth market research reports on workforce optimization applications and numerous articles and white papers. Prior to founding Pelorus Associates Dick was a senior sales and marketing executive with leading telecommunications vendors and value added resellers. He has over 30 years of experience in the telecommunications industry and is one of the most widely published and widely quoted analysts in the contact center industry. Pelorus Associates has over 35 worldwide clients, from small startups to the giants of the contact center industry. For more information go to www.pelorusassoc.com

About Jacada
Jacada solutions help organizations improve their customer experiences and reduce their operational costs. Jacada enables organizations to deliver advanced customer and agent interactions by implementing cutting-edge mobile customer service and visual IVR solutions, agent desktops, and process optimization tools. Customers can benefit from an improved customer service experience at every touch point with the organization, whether at the call center, on the mobile, or at the retail store. Jacada projects often deploy in less than six months, and customers often realize a complete return on investment within 12 months of deployment. Founded in 1990, Jacada operates globally with offices in Atlanta, USA; London, England; Munich, Germany; and Herzliya, Israel. More information is available at www.Jacada.com