

Mired in Mediocrity

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Something is seriously wrong. Here's the situation we see in far too many contact centers, and for far too many customers. Callers are unhappy with their call center experience; the staff aren't particularly happy with their jobs; and, management isn't thrilled with the contact center's performance.

Yet, something like 3% of the US workforce is employed in contact centers. This is a substantial industry. What's going on here? How can we have such an important part of our economy that is mired in mediocrity? How is it that we have managed to foster such a dreary situation? This month's column looks at this phenomenon, and considers some steps (including IP-based capabilities) that may help alleviate some of the underlying causes.

Callers. Many people view interacting with contact centers as a necessary evil, at best. One study I saw referenced recently (perhaps apocryphal) suggested that 40% of the population would rather go to the dentist than interact with a contact center. But, whatever the percentage, many of us have some horror story of the trials of having to get something done through a call center. It's enough of a shared experience to provide constant fodder for cartoonists and stand-up comedians. And when is the last time you heard someone say, "Wow, I just had a wonderful call with a call center!" It happens, but far too infrequently.

Automated routing systems and interactive voice response are technologies we love to hate. There are many examples of poorly designed, mis-applied systems out there. Paul English's website, which provides pathways out of many companies' systems, has received a lot of attention because it's scratching a persistent itch. We applaud Paul's efforts, but feel that it's also important to get beyond treating the symptoms to fix the bad design and eliminate the problem in the first place. But his widespread recognition shows just what a common frustration this is.

Callers' frustration is compounded by the way many companies' systems and processes are siloed. We've all entered identifying information into an automated routing system, then transferred to an agent, and then been asked to provide the same information again to them. Or, we'll complete a transaction on a website, then call the call center to ask a question and have the agent tell us that "that's another department" and he doesn't know anything about the website.

Finally, one of the key drivers of an excellent customer experience is getting the issue resolved on the first call. To do that, the call has to get to the right agent, and that agent has to have information, tools, and access to others as needed to accurately address the caller's needs. Too often, that doesn't happen. Sometimes it's training; sometimes it's inadequate processes or systems.

All of this, of course, leads to a low level (or, not so low) of dissatisfaction on the part of the caller. Clearly, this is going the wrong way, especially given all the management books talking about the need today to move beyond customer satisfaction to customer loyalty. Too often, we're not even on first base.

Staff. Callers aren't the only ones frustrated. Many companies experience call center agent external turnover rates of more than 20% per year. Too frequently, there isn't much of a career path, and the contact center agent is viewed as a low paid, low prestige, high pressure job. High contact center turnover means excessive training costs, inexperienced agents on the phones, dissipation of institutional knowledge, and low morale for the agents who remain.

And, contact center supervisors and managers are in a tough place too. Frequently they get pressure from above to cut costs, with pressure from below to deal with a rash of personnel issues, maintain morale, and keep customers happy within increasingly tight constraints.

Company. In many companies, senior management doesn't really understand what is going on in their own centers. The contact center is usually run as a cost center, and much of the emphasis is about squeezing out another 5% on expenses. In our consulting work, we find that a big part of the problem is lack of effective communications between the call center managers and the senior executives. Call center managers tend to talk about operational performance of the centers – the detailed stats that the ACD systems crank out. While this data is important for running the center, it's of little or no direct consequence to the CXO. What's needed is a discussion of the top-line impact that the contact center is making on the company and of the contributions to the corporate goals. Unfortunately, most contact center managers aren't proficient in translating their impact in language that engages the executives. That has to change.

All the focus on costs has further exacerbated the situation. Over the last decade there has been an increasing frenetic rush to the brass ring of lower wages in offshore centers. In many cases, however, the nominal wage advantage is offset by growing customer frustration because of cultural misunderstandings and differences, as well as language barriers. And, there are not-so-obvious costs of managing and running an offshore center. One of our clients found that the average talk time was about a third longer at their offshore centers, not only offsetting a chunk of the putative wage savings but also steadily contributing to lowered customer satisfaction.

Impacts. Certainly the dire situations described above aren't true across the board. Many companies have understood these issues and have created a very different experience for their agents and for their customers with excellent results. They have stemmed agent attrition through good job design, HR resources, and management practices. Technology and processes have been engineered to empower agents and bring relevant information to their fingertips. Segmentation works with systems to identify callers and send calls to the most appropriate agent or to lower cost channels (offshore, self-service). IVR systems and websites have been redesigned to be viewed by callers as a preferred method for many types of interactions. All these help achieve cost benefits while minimizing the potential negative impacts.

And, executives can come around, too. In one of our consulting assignments, the project team was presenting to senior management the action plan for an overhaul of the center technology,

organization, and processes. One of many statistics on a slide was that 38% of this company's customer contacts came through the center. As the presenter continued, I watched the president of the company seated at the far end of the table. His eyes slowly went up to the ceiling as he considered that point. He stopped the presentation a moment later and thundered, "38%! Who **are** these people?" Suddenly, he clearly understood the center's potential positive or negative impact on corporate goals.

The real benefit to getting customer interaction right is to the top line, not just on cost. Reducing costs is an obvious, often measurable improvement. Hence, all the focus. Moving customers from being "satisfied" to being "loyal" is a much more difficult thing to quantify. But as I discussed in last month's column, it has a substantially more important impact on long term company profitability.

How Does IP Help? As I've discussed in many previous columns, there are few things that you can do with IP that couldn't be done in TDM. It's just that in many cases, IP enables implementing capabilities much more easily and cost effectively. And the good news is that much of this IP-enabled functionality can directly contribute to addressing the issues raised above. Here are just a few examples.

For **callers**, removing the frustrations is a big step. One way IP helps is to ease the challenges of integrating systems. For example, SIP capabilities within IP can be used to transfer customer entered information from an IVR to an agent. This is frequently a more cost effective solution and traditional CTI techniques, especially between systems from different suppliers. Another example is integrating websites with contact centers. In the future, the ability to support good quality voice conversations with agents using IP over the web connection will make such assistance even easier.

Another way IP helps is by making first call resolution easier. This is a longer, important subject, and will be addressed in a future column. But, in summary, convergence of voice and data is helping to merge externally focused contact center capabilities with internally focused collaboration functions such as conference calling. Administrative functions in the company will benefit from queuing, skills-based routing, and reporting capabilities previously reserved for the call center. At the same time, agents will have access to messaging and collaboration tools that are more typically used for internal company communications. This means that an agent on the phone can instantly get help with a caller's issue by finding and bringing onto the call specific individuals with skills or knowledge needed to address the issue.

IP addresses **agents'** concerns, too. IP helps bring information to the agents to let them do their jobs. Most contact center reps want to do the right thing. Access to better agent tools, to knowledge bases, and to other experts in their company will let them succeed and boost their own job satisfaction. And as IP-enabled capabilities allow centers to differentiate callers, there are opportunities to create career paths and job progression for agents. Multi-media functionality and blended agent capabilities offer additional opportunities.

Another way IP helps is by enabling effective connection with home-based agents. One of the challenges that companies have is attracting new pools of skilled agents, as well as keeping highly qualified agents who have to quit because of child-care requirements, spousal job

transfers, and other factors unrelated to the job itself. IP eases implementation of home-based agents. This means that companies can offer options to retain and use more effectively these highly skilled staff. This, in turn, means that the investment in training is not lost, and that the customer experience is improved. Many studies have shown well designed, home-based agent programs to be highly successful, and ones that have demonstrably improved customer service ratings.

For managers, the ability of IP to consolidate IVR, QM, and other adjunct capabilities is one key to establishing comprehensive, centralized control. With IP, we have seen contact center management able to oversee partner facilities, including outsourcers and overseas centers. One financial services industry manager stated, "The ability to actively monitor our [outsourcing] supplier has been very important to meeting our customer loyalty goals."

For **corporate executives**, one need is to better understand what the contact center's contribution is to the company goals. It would be a lot easier for center managers to show such results if we could pull together information that relates what happens in the center to items that directly impact the top and bottom line of the P&L statement. The challenge has been that information about results (sales made, service orders closed) is not kept in the same repositories as the ACD-based call center information. Therefore, it's been difficult to link the two. There are many companies addressing this issue, and IP, with its ability to ease integration between disparate systems, is helping to achieve it.

In summary, IP can help attack each of the areas that is leading to the "mediocrity" discussed above. Certainly, it doesn't do it by itself. But, we can make some significant improvements by paying attention to these critical issues when designing new systems and processes. IP has the ability to transform the way the business operates. But don't approach this from the standpoint of technology features; think about it from the perspective of overall corporate goals, and what you're trying to get accomplished. Then apply the new capabilities that IP enables.

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