

### **Transforming Businesses through IP**

In previous columns, I've talked about ways IP can bring benefits by transforming a company's customer interactions. However, many implementations don't result in any such transformation. Rather, companies just continue to operate in much the same way they did before IP. They've upgraded the equipment, but haven't taken advantage of the new functionality. This column discusses how companies get full benefit from their IP deployments by rethinking business and operating practices.

We find that there are different paths companies take when converting to IP. Frequently, the decision is made for tactical reasons – for example, an aging switch needs to be replaced, and it makes sense to go with the next generation architecture. In other situations, IT has been developing a migration plan in which the contact center has been only peripherally involved. When roll-out comes, the focus for the contact centers is typically on maintaining functionality, rather than looking for new ways to conduct business. Much less frequently, the contact center management sees a powerful opportunity for transformation, and builds a business case to justify its own IP deployment. Let's focus on the first two types.

Where a single facility converts to IP, a contact center there will be an IP-island. Still, there may be some innovative opportunities within that location. One of our clients was trying to improve first contact resolution. The problem was that it was often necessary to either confer with or transfer the caller to experts or engage in a three-way conference. While those experts were on-site, they weren't in the same group, and it was difficult to know at any point who was available to help. "Presence" functionality, available in their IP solution, meant that the CSR could instantly determine which expert was available through what mode of communication. When a conference was necessary, it was a simple matter of dragging the expert's icon into a conference box to establish the connection. By taking advantage of the IP functionality, the company was able to improve first call resolution by about 20%.

In cases where there is a corporate-wide roll-out of an IP-based infrastructure, there is the opportunity to gain benefits available from a multi-site contact center environment. In past columns, we've discussed a number of these benefits: centralization of management and control, operating as a truly virtual center, flexibility and business continuity, and many others.

Here's how a financial services company leveraged IP's capabilities. Three in-house contact centers and one domestic outsourcer answered the calls not handled by the IVR system. As part of a corporate-wide infrastructure change, the contact centers had converted to IP. But the IP network was viewed primarily as transport, with little attempt to change how calls were routed or staff was managed. Queue lengths fluctuated between centers, and transfers were frequent. The outsourcer and the company each had its own contact management system which they synchronized daily. But generally each of the four centers was operating as a separate entity with some overflowing of calls.

The contact center management was under a lot of pressure to improve performance while cutting costs. Sound familiar? To attack the cost issues, the company engaged an offshore

affiliate of their outsource partner, and started sending a portion of their calls there. While the costs declined some, it wasn't as much as anticipated. More important, customer satisfaction scores dropped, and complaints increased sharply.

Then the company management began rethinking its entire customer interaction strategy. They realized they needed a unified approach that would leverage knowledge available about each call wherever possible. The new design took advantage of IP's ability to centralize control of routing over all the contact center sites. Now, wherever calls enter their network, a centralized server makes the routing decision. The contact management capabilities have been centralized as well, and the IP network facilitates getting current information sent to the agent answering the call.

In addition, the company's new interaction strategy defines customer segments that correspond to different business goals and service treatments. Based on characteristics in the database, each customer is associated with a segment. The speech recognition front end has been redesigned to gather better information about the caller and the purpose of the call. This information enables better opportunities to route the call to the most appropriate available agent.

The combination of these changes has aligned the contact center activities with overall corporate goals, as well as bringing operational efficiency. Additional cost savings have come from customers' increased use of speech enabled IVR self service.

Now, the company is in negotiations to extend IP's control capabilities to the outsourcer's domestic and international staff as well. We think that this will be an increasing trend – companies wanting their outsource partners to, in effect, become part of the corporate virtual contact center and network. IP allows that to happen more readily. In addition to scheduling and routing efficiencies, IP facilitates remote quality monitoring. This is one important step to helping to make offshoring more effective.

The more important step will be determining which calls should be sent offshore in the first place. Those decisions will be made on a call-by-call basis by having the routing algorithm consider the call purpose and the caller's segment.

For this financial services company, IP was a catalyst to bring about a number of changes that are leading to better performance and lower costs. It's true that much of the functionality they implemented could have been accomplished in their old TDM environment. But in most cases a TDM solution would have been more cumbersome, less effective, and more expensive.

This is the promise of IP. Its infrastructure enables functionality that couldn't readily be accomplished in a TDM world. But to take advantage of it requires that companies pause and examine how their customer interactions are being handled. Many technologies can be implemented in ways that simply automate what was done before. The harder path is to take the opportunity to rethink current business practices and processes, and to take full advantage of the new capabilities the technology offers.

That transformation approach is more work, but the benefits are far greater. IP is a powerful enabler to allow transformation to happen.

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