

## **Sense and Respond: New principles and a new vision for the call centre industry**

**Steve Parry of Transform4**

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In today's increasingly competitive environment where consumers are demanding more variety and individualisation, service business models based simply on enhanced cost efficiency or economies of scale will lose their fitness to survive.

Traditional designs and approaches are increasingly failing both customers, employees and shareholders, because they are designed, built and operated upon the theories of mass production. Indeed, current approaches may even accelerate the rush for outsourcing and off-shoring options. This is often 'the wrong answer to the wrong problem'.

Research has discovered a large proportion of calls into the organisation are, in fact, preventable and often account for as much as 40% to 90% of service demand. This level of waste demand is unnecessary, yet unavoidable under existing mass production system constraints. This fact alone calls into question the wisdom of outsourcing this level of waste. Quite simply, traditional organisations are seeking to reduce the cost of processing waste instead of eliminating it completely. The waste, however, is a by-product of the principles behind the very design of the call centre and its relationship with rest of the business. For example, customer focus and end-to-end business understanding is lost when functional resource measures, such as calls per-man per-day, average call-handling time or first-time fix, are turned into targets for front-line staff. Applying functional resource targets to front-line service staff is counterproductive and leads to the generation of more waste and further alienation from the rest of the business.

### **Understanding the true cost of operations**

Often in this environment, call, contact or customer centres are viewed as either being at the tail-end of the business, making amends for delivery failures, or at the front-end, simply transacting the selling process.

Highlighting, measuring and costing the waste and potential loss of revenue inherent in the current design is the only way to convince the sceptics and the board room that the current approach is detrimental to customers, employees and impacts both short- and long-term profitability.

### **New Principles**

The philosophy underpinning the new operating principles has its roots in Adaptive-Enterprises, Lean and Systems Thinking, which have been long been successful in transforming operations from 'build-to-order' to responding 'on-demand'.

### **New Vision**

The 'Sense and Respond' vision creates a new possibility to place the contact centre at the heart of the organisation, shaping and controlling everything else that supports it. By elevating the call centre to a driver and governor, rather than simply a cost centre or a sales facility, organisations will change the way in which senior management relate to service staff and the way the organisation views and relates to its customers.

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### **Intelligence Workers**

A Sense and Respond business is one that eliminates waste and maximises value-added activity through the creation of a workforce that continually drives innovation and creativity by gathering customer intelligence. All of this heralds the birth of the 'intelligence worker'.

### **Management Centres**

Businesses must take a fundamentally different view of the role played by call centres and migrate to 'Management Centres.' In this type of organisation, the customer-facing staff and service management capture the customer context and then influence senior management with data to change the very nature of the organisation and the products or services it delivers. This calls for the contact centre management community to view their role very differently, stepping into a position of responsibility for the delivery of service end-to-end, even if it leaves the confines of the management centre. Changing the mindset of the people in the business will lead to a change in the business as a whole.

### **Traditional metrics will appear to go in the wrong direction**

The new approach may increase average handle time for individual calls, which is viewed positively, as long as the number of overall calls decreases, waste is removed and revenue increased. It should be noted that permanently removing unwanted demand should not be confused with call avoidance tactics that merely replace people with technology.

To many traditional contact centre managers, it will be counter-intuitive to spend more time on calls or see the first-time resolution rate reducing. Quite simply, 'sensing' and acting on customer-intelligence leads to operational alignment with customer needs. Starting at the front-line, employees are able to create new performance measures based on purpose as defined by customers and the organisation. Then they redesign their own work to meet both needs. Intelligence generated from this new perspective and driven by the front-line staff allows the rest of the organisation to redesign itself to 'respond' to the needs of its front-line staff and customers.

### **New relationships**

Companies who have adopted this approach have gained a deeper insight into their customers by fostering a new type of relationship between front-line staff and customers. However, while understanding customers is important, having the ability to act on this understanding is crucial. Therefore, companies need to promote a different relationship between the front-line staff and the rest of the organisation. Several case studies have demonstrated that through the application of these principles a company-wide transformation has occurred from the customer interface and cut across all departments with customer-intelligence ascending the command chain and placing the voice of the customer into the heart of the board room.

This approach implies a greater up-front cost, but the time and money saved through the adoption of the new vision will be repaid many times over. Companies such as Fujitsu Services have found this and have built a flourishing new customer and information technology support business. For example, Fujitsu staff turnover has fallen in some of their operations from 50% under the previous vendor to just 8% per cent, while creating a world market differentiator, reducing costs, increasing revenue and changing the very nature of their service offerings.

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### New vision outcomes

- The call or contact centre would be elevated into the position of a 'management centre' for the whole business, taking responsibility for measuring, determining and governing how the entire business works end-to-end to create value for customers.
- A management centre creates 'intelligence workers', utilising the talents of customer-facing staff in order to capture, analyse and act on information about the customers' environment, finding opportunities to create new services and remove waste.
- The operational performance, targets and goals of front-line staff will be measured against how well value is created for customers.
- The organisational shape would be driven by the ever-changing needs of the customer; therefore, it would not be a static design.
- Positive impacts on customer satisfaction, employee satisfaction, optimised operating costs, increased revenue and differentiation would result.

### Customer Value Enterprise®

This approach permanently changes the organisational design, culture, behaviours, processes, technologies, reporting, job designs, products and services and results in the formation of a 'Customer Value Enterprise'. Creating an enterprise focussed on customers is the key to corporate success going forward. While many organisations may recognise this fact, very few are able to move fast enough because of the limiting principles behind the current design. The Sense and Respond vision assists them in overcoming these problems and releases businesses from the shackles of standard practices and existing thinking. It will take courage to see business differently.

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**'Acceptable ideas are no longer competent and competent ideas are not yet acceptable.'**

**Stafford Beer.**