



Future Technology: Customer Contact in the years to 2012

A paper for CCA Industry Council



CCA INDUSTRY COUNCIL

CCA Industry Council drives the contact centre industry's research agenda, by sharing information from all sectors to ensure the research approach, debate and output provides the pathway for the future in terms of new thinking and strategies.

An initial meeting was held when 30 leading players from industry debated 'Changing the Rules'. From this debate it is clear there is a need to create 'Beyond Operational Efficiency' – a new vision for how customer contact centres should be repositioned within organisation, placing the customer at the heart of the business.

The Industry Council consists of an exclusive group of representatives from leading organisations who are committed to providing this input whilst themselves benefiting from a unique package of: leading edge research, networking, government influencing opportunities and establishing their profile as 'Leaders of the Future'.

Expert academic and private sector facilitators will draw on leading edge debate and invite participation from other recognised research houses and agencies to engage with Industry Council to ensure the group deliver leading edge analysis.

As the independent professional body, CCA has a partnership with leading organisations and groups to access relevant research and information for the development of the Industry Council. CCA's vision is for contact centres to be repositioned within organisations to reflect the increasing complexity and competitor challenges arising from the dominance of this channel.

CCA are indebted to the efforts of the Foundation Partner Group who have formed the backbone of activity in taking forward the development of the CCA Global Standard[®] and creating the vision for CCA Industry Council. These organisations from all sectors, public and private, each have a significant impact on the contact centre market-place.

FOUNDATION PARTNERS



Foreword from Rob Pike, Chair of CCA Industry Council



During the past 18 months CCA Industry Council has looked at many key questions facing the contact centre industry. Several topics have been covered, from getting the DNA of the customer into the boardroom, to understanding the impact of automation on the agent. We have carefully considered the impact of change with the able assistance of the Research Council.

For this quarter, we set out to answer the question “is there an iPod equivalent for the customer contact industry?” In doing so, we were conscious that there may not be something as significant as the iPod in customer contact, but an exploration of key technology changes is the first step in understanding how the future might develop.

Our time horizon being the next 3 to 5 years, we wanted to understand what technological developments have the potential to impact end-to-end customer contact. Obvious areas include front-end channel interface, workflow management and scheduling, database management and analysis, networks and virtualisation. We also sought to share learnings about successful deployment of new technology in customer contact and also to remember the changing customer.

The results of our debate and the contributed papers have centred on how people communicate with a company, how they are handled, and followed up by the organisation when the call gets through. The first is all about what external channels of communication the organisation provides and the second is concerned with the quality and level of support provided to agents and web-based processes.

Although we have not (knowingly!) identified the equivalent of the iPod for customer contact, we have established that the future is already here in terms of technology. Advanced contact centres today are using the technologies, such as IM and voice analytics, which the majority will be using in five years time. For the director needing to develop strategy, I’m sure the papers will provide useful guidance and advice.

Once again we are indebted to the work of CCA Foundation Partners who have been the catalyst of CCA’s evolution to become the present day Customer Contact Association. Their dedication has helped create CCA Industry Council, a unique think-tank which is challenged with finding solutions to ensure that the customer is placed at the heart of an organisation’s operations.

We would like to extend our grateful thanks to CCA Research Council, which has been strengthened with the addition of Ipsos-MORI and Ventana, for again providing very insightful findings into this critical issue.

Rob Pike
Chair, CCA Industry Council

Rob is Director of Operations, Ulster Bank Group and European Consumer Finance at the Royal Bank of Scotland

'Stay - just a little bit longer'

Prepared by Paul Scott, Dimension Data



70% of the cost of running contact centres is related to the people who work there - the agents or customer services representatives. Yet according to the Dimension Data Global Contact Centre Benchmarking Report 2007 almost a quarter of all staff leave each year, wasting in excess of £20m per annum in direct labour, training and hiring costs for UK contact centres. In the words of the famous song by Jackson Browne: 'Why won't you stay - just a little bit longer'? Well it might be something to do with the working conditions, the systems they use, the way they are managed, the targets they are set or simply the processes they are asked to adhere to.

Anything that can be done to reduce the annual rate of staff attrition is going to have a profound impact on the overall performance of an organization's contact centre and operational effectiveness. Technology has long been the most under used weapon in the war to optimize contact centre performance in this way.

Our paper examines how technology and process changes can have a positive impact on reducing staff churn and improving productivity.

Data from Dimension Data's Global Contact Centre benchmarking study 2007 suggest the UK industry wastes \$1m a month as a result of its 24% benchmark staff attrition.

There are several areas to consider for improved performance and reduced staff attrition. This paper examines some of the root causes of attrition and suggests a number of actions that can be taken to reduce attrition.

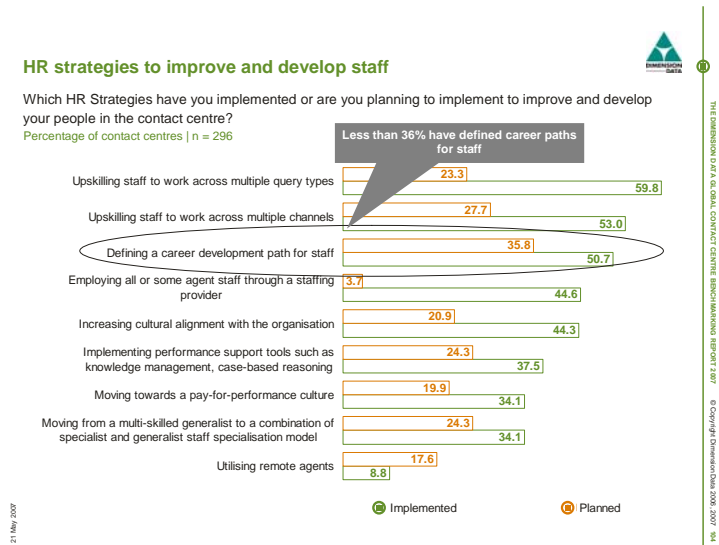
Hiring the right people for the job

Europe lags behind the rest of the world when it comes to best practice in screening and hiring staff. Some 46% of companies here don't conduct some part or the interview or screening process for contact centre agents over the phone, whereas globally 60% of organizations use these techniques. This must inhibit the ability to determine whether potential recruits have the necessary skills and competence to fulfill their roles. It costs on average just over £1000 per head to hire a contact centre agent in the UK; perhaps a 5 minute telephone interview or screening session is a logical investment to reduce the likelihood of an agent becoming one of the 12,000 agents in the UK who don't make it through the first year of the employment in contact centres.

Core technology to enable this?: Inbound telephony platforms such as Avaya, Cisco and Genesys and workforce management from NICE and Verint/Witness.

Role expectations and career development

An increasing number (nearly 60%) of UK contact centres are planning to up-skill staff to handle multiple query types, but less than 36% have defined career development paths for their staff. This clearly has an impact on a person’s expectations coming into a contact centre and is likely to play on their mind when they are considering next steps in their own career ladder. The challenges of managing staff and coping with new technologies and services, coupled with increasingly demanding customers may have taken its toll on productivity and effectiveness. However, the answer to why people in the contact centre appear less motivated than ten years ago could lie in the alignment of staff to the objectives of the organisation. In 1997, 83 per cent of contact centres had clearly defined and known business objectives. In 2007, this figure has dropped to just 70.5 per cent. In 1997, 59 per cent of staff could clearly state the objectives of the contact centre. In 2007, this dropped to 50.7 per cent.



In practical terms, this means that staff understood their jobs better ten years ago. They understood why they were doing what they were doing. And this type of understanding breeds a greater pride in work, an ability to do a job more effectively plus high staff retention and lower absenteeism - all of which make managing the contact centre an easier task.

Core technology to enable this?: Intranet access for staff, web blogs, web chat and forums.

Getting a 'bang for your buck' with technology

Consider this: the average annual absence rate in contact centres is 11%, so assuming that when a centre sizes for technology they buy licences for all the seats, it's easy to see there is likely to be a proportion of seats unoccupied. It is also estimated that this along with over specified functionality means 30% of the purchased technology is literally 'left on the shelf' and never used. Increasingly organizations are looking to more effective ownership and purchasing models to get round this. Last year some 30% of the Global Benchmarking's sample sought alternatives to owning their technology. Rental and on-demand models are becoming widespread as the network and telephone bandwidth in and between businesses and their customers' increases.

Core technology to enable this?: Audit of technology assets, followed by technology strategy review and development of detailed roadmap.

Streamlined and simplified processes

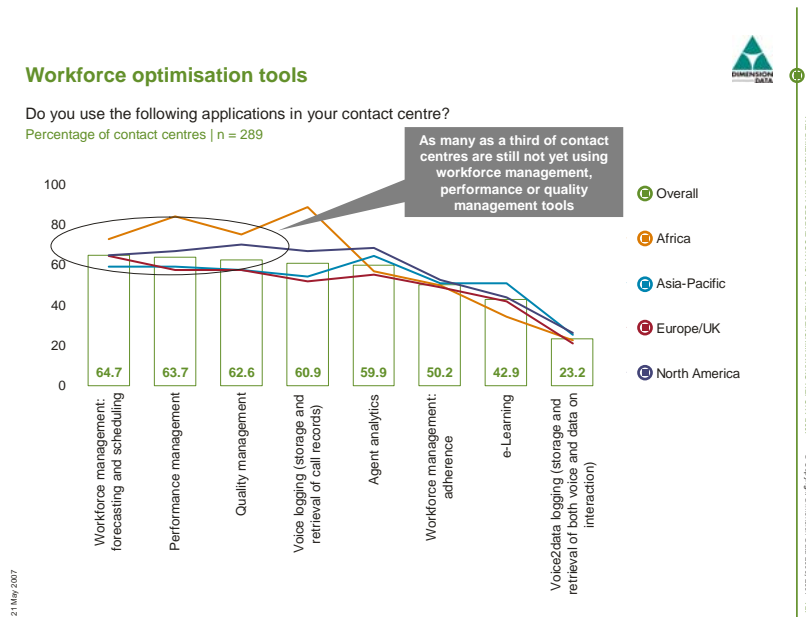
Very often contact centre agents have to deal with multiple screens open on their desktop screens, toggling between them during the call. This can be clumsy and very stressful. Upgrading and integrating desktop systems improves agent performance and speeds up workflow generally. It also makes it far easier for agents to focus on satisfying customers. Although 77% of organisations say they have workflow solutions in place, only 32% have some form of decision support or case-based reasoning system to prompt agents with answers to customer queries. In addition, there seems there has for some time been a widely held belief the contact centre agents can deliver better customer satisfaction and derive higher levels of job satisfaction if they are empowered to solve problems on the call. When it comes to decisions that have financial consequences, 60% of contact centres allow their agents some level of decision-making. This represents a 10% decrease from last year.

Core technology to enable this?: Graham Technology Caboodle, Microsoft Contact Centre framework.

Are the right people scheduled to answer your customers' calls?

Knowing how many people are needed to achieve service levels and create satisfied customers is vital. This needs to be broken down per hour per day, only then can a

schedule of staff with the right skills and experience be achieved. If this is not done there is a real danger of over-staffing leading to increased direct staff costs and bored agents leading to increased attrition with associated recruitment and training costs. Alternatively, there can be under-staffing, resulting in high abandonment rates, stressed staff, reduced first call resolution and dissatisfied customers. Either way, getting it wrong costs money. Many contact centres - perhaps as high as a third in the UK - still carry out this vital scheduling function on spreadsheets developed by one individual in their business. Chances are, this won't be very effective for anything above a 20-seat operation.



Workforce Management tools have now reached maturity and can deliver a rapid return on investment - the main issue today is ensuring the tool is set up correctly and managed by a trained scheduler. Implementing such a tool also enables your agents to take some control of their working patterns, resulting in improved motivation and employee satisfaction - which has been shown to have a direct impact on customer satisfaction. In this year's report, the top Development Strategy is Customer Satisfaction at 87%, with Staff Satisfaction close behind at 70%. We would therefore suggest there is no good reason for a mid-size or large contact centre not to adopt a properly-managed industry-standard Workforce Management tool. And yet amazingly, only 26% of Contact Centres have Capacity Forecasting Accuracy as a specific target.

Core technology to enable this?: Workforce Management, NICE, Verint, Genesys, Cisco, Avaya.

Can agents handle the calls they take?

Poorly trained agents deliver a poor customer experience, leading to unhappy customers and, therefore, stressed employees who then leave or go sick. Initial training is incredibly important but it isn't enough - agents often need help with complex or infrequent queries, which is where coaching comes in. Coaching can be delivered by trained supervisors or specialist coaches, and it can be delivered by virtual coaching systems. The latter essentially provides step-by-step desktop assistance through processes, with a blend of specialist staff and virtual coaching providing arguably the optimum solution. The 2007 Report shows that an average of around 17 hours of coaching is delivered to agents per month; however the UK is ahead of the benchmark here, averaging 25 hours per month. The cost and effectiveness of coaching can be dramatically increased by adopting one of the many online tools now available. These virtual coaching tools are delivered to the agents at their desktops, resulting in improved first call resolution, employee and customer satisfaction.

Core technology to enable this?: E-Glue virtual agent

Agents need to know they are doing the right thing

Agents need to be rewarded for doing the right thing. Rewards provide a great feedback mechanism and agents will do what you target them to deliver - so you need to ensure you don't reward skewed behaviours. Also, rewards can be great motivators if applied correctly, and they don't need to cost a great deal. For example, badges for full-time attendance cost almost nothing but can create a highly motivational peer-led team spirit. Absenteeism is currently running at 11% - reward and motivation measures can successfully reduce this figure, thereby resulting in improved performance and reduced costs due to reduced staffing needs. Again quality monitoring tools and advanced workforce management systems can help capture the information needed to make informed decisions around agent behaviour.

Core technology to enable this?: Quality monitoring, workforce management and performance management tools such as NICE IEX, Performix, Verint/Witness 360.

In summary, our 7 point plan to reduce agent attrition, save money and improve effectiveness and efficiency - making them 'stay just a little bit longer':

1. Profile agents' roles, recruit & hire the right people with the right skills, experience and personal attributes. Include a telephone interview.
2. Map out agents' roles and career development opportunities. Publish them.
3. Investigate on-demand or flexible pricing models for technology licensing.
4. Integrate desktop applications for streamlined processes with workflow and case-based reasoning.
5. Implement a properly-managed industry-standard Workforce Management tool.
6. Train your agents well and ensure effective coaching is available - via both specialist staff and real-time on-line.
7. Target your agents and motivate with the right incentives.

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Cost: Members - £150
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