

White Paper

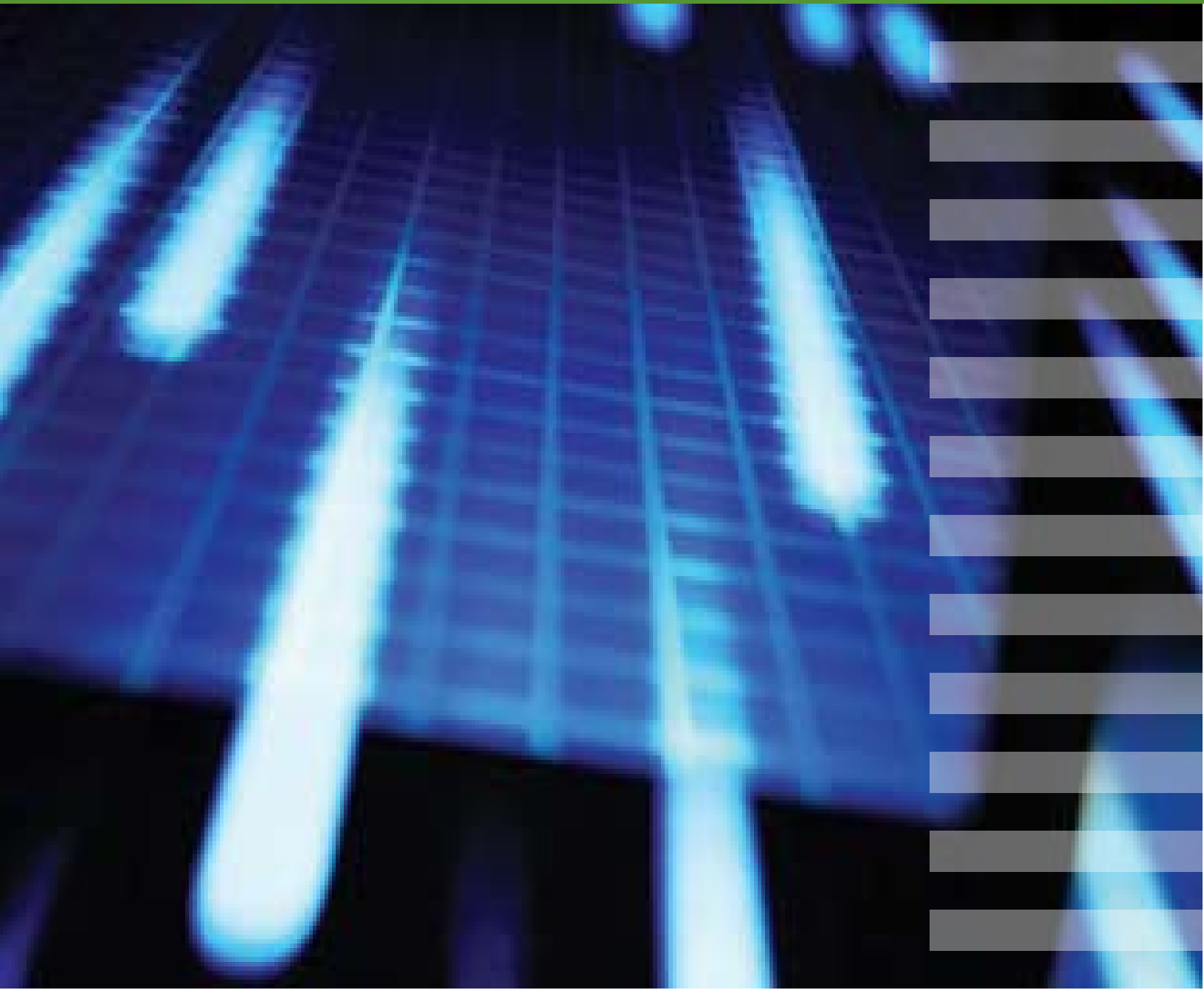
The Customer Focused Contact Center

A Companion Paper to IBM's *Advocacy in the Customer Focused Enterprise* Paper

Prepared by Martin Prunty and Andy Pritchard

Contributions from Robert M. Heffernan

Contact Center
Practice



- I. Do we need to do things differently? Opportunity for customer experience transformation in the Contact Center*
- II. What is the new prescription for the customer experience? New view of the contact center customer experience*
- III. How do we operationalize this new view? Operationalize contact center experiences through a customer focused enterprise*
- IV. How do we get it done? Get it “done right” in the contact center through new IBM project technique*

The customer focused enterprise begins within the customer focused contact center

This paper is a companion to the recent IBM release “Advocacy in the Customer Focused Enterprise”. It will expound of the base concepts discussed there and describe how the theories and practices apply to one of the most vital customer-focused operations for companies today: the contact center. Readers should reference the IBM handbook “Advocacy in the Customer Focused Enterprise” for more detailed descriptions of the concepts presented here.

I. Do we need to do things differently? An opportunity for customer experience transformation in the contact center

Smart companies want to build strong bases of loyal, profitable customers who are also advocates for the company. In order to drive sustainable, profitable organic growth and competitive differentiation, organizations must better integrate and align the way they treat customers with their sales and service strategy at each touch point of the relationship, especially those that occur within the contact center. Achieving this is a continual, uphill battle as competitors increasingly raise the stakes. Customers’ expectations continue to rise – largely through their experiences with a vast commercial world – but also through unrepentant brand marketing and well-publicized customer-focus programs. Given the vast number of experiences companies have to manage – over channels, employees and vast customer bases – the key challenge is to create the right experiences at the right time in a real-life operational model.

The Crux of an Interaction: The Contact Center

Call it what you will - the call center, interaction center, the 800 number, the service function – the contact center is a critical area where the customer’s experience and attitude towards the company are developed. Historically limited to agents and phones, the modern contact center manages a wide array of critical customer interactions including voice, e-mail, online interaction, self-service assistance, and collaboration. The modern contact center also serves ‘customers’ other than consumers, including business partners, employees, and field agents. As CRM strategies run broad and deep, from data analytics to campaign development, the contact center truly is the place where the rubber meets the road, where companies make or break their customer strategies in real

application. It's where the customer experience happens, where many interactions take place, and where a high percentage of the total transactions finally occur. It shouldn't be surprising that the contact center is at the visceral core of the customer focused enterprise.

Drivers of rising customer's expectations in the modern contact center

There are many reasons why customers expect more and companies feel they must improve. Some of these reasons include:

- Companies' brand marketing and promises often show or describe the treatment customers can expect via the contact center: happy, helpful, empathetic agents; a caring ear; a concerned partner; a multi-channel interaction with little hassle a lot of smiles. These images and messages have become commonplace in brand marketing.
- Competitors increase their marketing, sales and service options and capabilities continually, usually for the better. It has only been matter of years since such basic service options as accessing account balances over the phone or receiving e-mail updates were unheard of. Now they are expected. Companies introduce new services constantly, and customers get used to them quickly.
- Customers' interactions within one industry drive change in others. If a cable company offers help on the phone, why shouldn't the power company? Customers develop their expectations from their general commercial experience and often expect all service providers to rise to the same baseline.
- Customers' experience and familiarity with multiple channels and methods of communication is rapidly increasing. Within the past decade, e-channels went from nerd-niche to general usage. Mobile phones went from a business luxury to a must-have for everyone from children to the elderly. The mix of interaction technologies will only grow in complexity and sophistication going forward.
- Knowledge of customer-focused programs at large companies (e.g., "customer is job #1" type slogans) has permeated the minds of consumers. Customers know their value to companies, and hold their providers to the standards they proclaim.
- Customers' embrace and backlash of new technologies and outsourcing. It seems that many of the new advancements in the contact center can bring both cheers and groans to a finicky customer base. Despite being able to do more faster, customer often bemoan IVRs, primitive voice recognition, and other capabilities that cause confusion and frustration. Offshore outsourcing is often pegged as a social mar on television. Customers want accessibility, features and flexibility, but are sensitive to change.

Other factors driving change in the contact center

It's not just the customers and competitors driving change in the contact center.

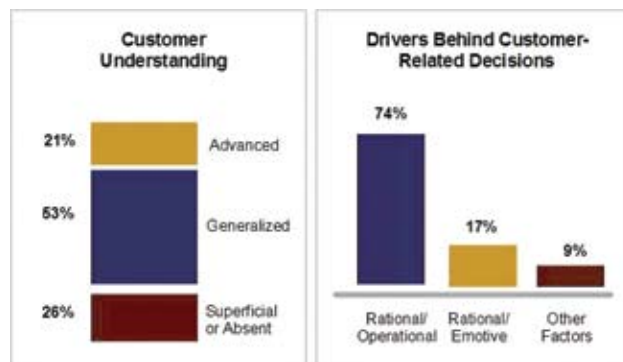
Other drivers include:

- Expansion of CRM and other customer and growth focused initiatives within the company. CRM isn't new and it isn't going away. The customer is still a top priority and a key strategic focus, and contact center management is at the center of this drive.
- Executive mandates to reduce costs and improve efficiency are a routine within the contact center. The contact center's commonly viewed position as a cost center further drives these mandates when times get tight. At its base, the contact center seems a calculable formula of seats, calls and resources, all of which are the focus of reduction, streamlining, or automating.
- New technologies and new application of technologies, including the use of IP-enabled contact centers, voice recognition, and sophisticated routing drive change from the bottom-up. Leading edge companies understand the current technology opportunities and leverage them to obtain their customer and cost-reduction goals.
- The imperative to integrate channels, including the contact center, web, IVR, kiosks, and the retail branch becomes more important as customers demand more choices and companies look for ways to increase usage of lower cost self-service channels. Channel integration delivers multiple benefits, including improving customer experiences, building more efficient processes, gathering better data, and reducing redundant or wasteful business operations.
- The imperative to further integrate the contact center with other key business functions, including sales, marketing, distribution, and supply chain to enable better customer experiences, improved operational performance, and a tighter ship from back-office to the front. The contact center is often the default mouthpiece and ear for the company, reinforcing the need to integrate across business units and functions.
- The emergence and popularity of outsourcing and offshoring, like a technological innovation, is an important shift in a contact center's ability to provide live customer assistance at a manageable cost. The procedural and organizational implications, though are daunting.
- The need to acquire new and more extensive customer data drives change within the contact center, a key creator and user of customer data.

- Accountability and proof of return on investment will always affect the decisions of contact center leadership. In many ways, the contact center has always been scrutinized for performance and ROI, given the amount of trackable data and metrics that are available. These, though, typically only shed light on the cost equation. The modern contact center plays a strategic role in managing the customer, one that directly and indirectly affects lifetime value, retention rates, and advocacy. As managers progress forward, they will have to understand and embrace new ways of accounting for their contribution and value within the enterprise.

Understanding customers is key

Regardless of how change is driven in the contact center, it's clear that companies must take outward action to influence their customers' perspectives. A problem is created when contact centers take action without really understanding their customers. According to IBM research, 79 percent of business leaders have only a generalized or superficial/absent understanding of their customers. As a result, we could interpret that business leaders act on an operational basis or "how can we handle customer interactions more efficiently, or less expensively?" versus acting on factors that customers indicate are most valuable. It is not surprising, therefore, that 74 percent of business leaders make decisions based upon what's right for their operations instead of what is right for both them and the customer. By acting without understanding the customer, and focusing mostly on tactile and operational attributes, companies are taking a 'shot in the dark' at their customers, often investing big money in contact center capabilities that may miss the needs of the customer.



Source: IBM Executive Decision Maker Study, 2008 IBM Business Consulting
 Q1. How well do decision makers know their customers? A. Advanced (segmented/defined), B. Generalized, C. Superficial or Absent.
 Q2. What characteristics do most decision makers focus on customer related decisions? A. Rational/Operational related - driving down costs of infrastructure related to customer activities, B. Rational/Emotive Related - manage or enhance the customer experience based on customer rational and emotive factors, C. Other factors

Being perfect all the time is impossible given the enormity of the customer interaction load companies have today.

It's too much! There are too many interactions to be perfect all the time

Companies today are meeting their customers in a lot of different places under a lot of different rules – online, over their devices, through channel partners and, of course, in all the old favorites places, such as the phone and the store and at the tradeshow and in their homes. Many of these interactions are managed by the contact center. The largest organizations can have thousands or millions of customers interacting at all times of the day, often being treated by thousands of independently-minded representatives and agents. Considering the many variables impacting each of these transactions, companies have their hands full trying to deliver service to customers with any level of consistency, much less with any degree of perfection.

Constraints hindering the delivery of perfect experiences include:

- It's too expensive to try to ensure that every contact center interaction is perfectly aligned to each customer at every point of contact. What's the point of advocacy if it lowers profitability?
- Customers are not created equal. Each company has its mix of customers, some which are very profitable and some that are much less profitable. Often described with the 80-20 rule (80% of revenue is produced by 20% of the customers), the logic prevails that very profitable customers should receive impeccable service, while service costs should be managed for customers who are less profitable. In some cases, companies actually lose money serving lower value customers.
- There are not enough of the right kind of resources within any organization to meet every customer interaction. Besides, there is an equally pressing imperative to reduce and refine resource usage and expenditures.
- There's not enough time to build out every possible service and treatment option for every type of customer. CRM projects are probably already stacked up in queues at most businesses.
- Things are going to change anyway, long before "everything" is rebuilt or reconfigured. Most serious transformations can take years at large organizations and the benefits are needed today. Savvy competitors aren't waiting for others to catch up.

The new challenges and opportunities

IBM understands the emotional imperative of the customer experience and believes that this area will be a key battleground for companies' competitiveness in the future. Two questions summarize the relevant challenges and opportunities:

- How do companies operationalize in their contact centers the advocacy-building, higher-order emotive attributes that brand messaging often promises, such as being caring, attentive, considerate, or empathetic?
- How can companies deliver competitively superior customer experiences within their contact centers using a realistic, achievable operational model?

The contact center as a customer experience test bed and logical starting point

In most organizations, the contact center is the logical starting point for customer focused initiatives. It simultaneously provides a unique environment of control while also providing a significant and meaningful base of customers who represent a full spectrum of needs and interactions. The contact center often manages its interaction from start to finish, providing a good basis to test interactions in their entirety. The contact center is also a data-intensive environment, where most interaction attributes can be tracked and monitored in a controlled fashion.

In this sense, companies should look to the contact center as an ideal 'test bed' for customer focused initiatives. Companies can test concepts and programs, fine-tune them, quantify their benefits, and make cases for their wide-spread adoption throughout the enterprise. Listed below are some reasons why the contact center should be the test bed for customer focused initiatives:

- A high percentage of total transactions occur in the contact center for most companies. In some cases, companies interact with clients almost exclusively through contact centers and self-service channels.

CRM straight talk: Business leaders know it's important to build advocates through the right customer experiences. The problem is that it's getting harder and harder each day to do so. The customers' expectations are growing from competitors, their commercial experience and brand messaging. To complicate matters, customer experiences have emotional characteristics which companies haven't been good at delivering. Given the enormity of experiences companies have to manage – over channels, employees and vast customer bases – the key challenge is to create the right experiences at the right time in a real-life operational model. Because of its inherent qualities, companies should look to the contact center as a logical starting point and 'test bed' for customer focused initiatives.

- It is a closely managed, structured environment. Unlike retail or branch channels, the contact center is typically centralized in some fashion, staff undergo similar training, have access to similar tool-sets, and geographical disparities are minimized. Additionally, the contact center is more data-intensive than retail or partner channels, and thereby more measurable. Internal environmental factors include:
 - Supervisors actively coach and mentor agents to drive the appropriate behavior
 - Quality monitoring and recording technology is used to capture actual employee performance and customer interactions
 - Performance metrics are routinely measured
 - Customer satisfaction feedback is received
- Segment strategies are easier to deploy. Customer treatment may be customized and personalized by different segments, either by customer preference or customer profitably/value. While it is possible to achieve this in face-to-face channels, it is often much more difficult to implement since transactions often begin without authentication and customers can view and request differentiated treatment with little regard to company strategy. The contact center can be a valuable testing ground for segment strategies since customers can be identified by calling number, special access numbers can be distributed (e.g., a 800 number for premier customers), authentication is typically always a first step (enabling the customer to be identified systematically), and through sophisticated routing technologies that can deliver the right customer to the right service schema.

Current techniques can be incomplete in addressing the advancing customer experience imperative given the enormity of the customer operation at large organizations. But there is a way. The following sections describe how companies may successfully create differentiated customer experiences within a realistic and achievable operational model by creating a customer experience framework.

II. What is the new prescription for the customer experience in the customer focused contact center?

A new view is needed for delivering customer experiences. One that builds a competitively superior experience while prioritizing the resources, the competitive shelf-life and investments of the company's CRM programs. This new view has several key characteristics:

- **Knowing what we are trying to accomplish:** A deep understanding of which interactions have the most importance to a customer and which ones play a part in changing the customers' attitude toward the company, also known as "moments of truth".
- **Delivering tactile and emotive performance,** or in other words, delivering both physical aspects and more psychological aspects of service: The customer experience cannot be boiled down to merely who called first and which agent is available to serve them. The importance of different aspects varies by interaction, so knowing the value of customers and when to focus on the tactile or emotional (or both) performance is key.
- **Prioritizing customer operations:** Focus resources and timeframes toward those attributes that will change the customers' mindset, while leaving attributes that don't affect the customers' attitude on the drawing board.

What we are trying to accomplish: Create advocacy among customers

Changing customer experiences is about changing their interactions and their attitudes

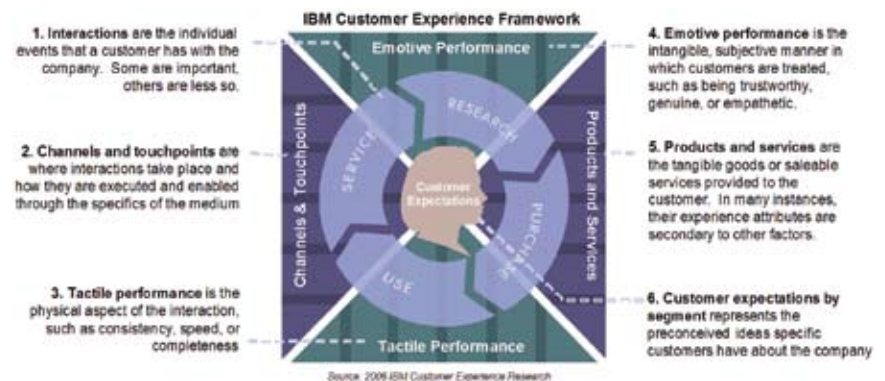
The goal of delivering successful customer experiences is to create advocates. Advocates are superior to merely satisfied customers. Advocates spend more, remain customers longer, and refer new customers. On the flip side, antagonists and detractors of a company destroy value. It should be the goal of customer-focused contact centers to create advocates, or at least begin to migrate customers toward advocacy.

Advocacy is largely a measure of a customer's attitude towards a company. A customer's attitude towards a company is developed during the series of interactions (e.g., service calls, web visits, transactions, advertisements, etc) they have with the company. In the most general terms, a customer's attitude is improved when their expectations are met or exceeded, and is harmed when expectations are unmet. The amount that their attitude changes is determined

by how important or intrusive the interaction is to the customer. Some interactions are vital, others are unimportant enough to almost be ignored. Understanding these distinctions enable companies to prioritize where they focus their energies. These concepts are addressed in detail in the CFE handbook under separate cover.

Customer Experience Framework

The entire scope of managing a customer’s experience can generally be described by the categories listed in the framework below. This framework can be used to dissect, understand, and assemble a meaningful analysis and vision of the customer experience. It is used as an ‘outside-in’ view, meaning that it focuses on what the experience is, not necessarily how the company may actually fulfill it operationally. This framework is discussed in detail in the Customer Focused Enterprise, and is presented here with its specific contact center implications.



The following are *Customer Experience Categories* and the corresponding *Contact Center Implications*:

1. Interactions

Customers increasingly expect their information to be available for every interaction, regardless of channel, over the course of their relationship. This means if they call on Wednesday, the company is aware of the online order they placed on Tuesday, and if they resolve a problem this year, the company knows about it next year. These expectations remain true as they speak to different agents, different departments, different product groups, and different channels. The operational implications stretch well beyond the purview of the contact center, and become a data-sharing and experience definition imperative for the entire enterprise.

2. Channels and touchpoints

Customers are growing to expect the same level of service over the web, over the phone, and through other channels (devices, ATM, branch, store). This means providing consistent treatment and ‘one company-one voice’ type messaging across the phone, e-mail and non-contact center locations. Customers will expect to be able to choose which channels and media through which they interact, and will expect services comparable to those that they receive from other companies.

3. Tactile performance

Tactile performance in the contact center has been a long-standing historical focus, with many of the tactile measurements being the primary indices of the contact center’s operation. Think average wait time, average handle time, abandonment rate, etc. In customer terms, these are represented in more qualitative measurements such as “they answer quickly” or “they were able to resolve my problem efficiently”. Customers expect service to be quick and efficient. Customers expect most transactions, from a simple address change to fulfillment of products, to be fulfilled instantly (or at least with the appearance of instantly). Customers may expect agents and service to always be available or to possess very specific skills. The tactile attributes of a contact center are an ever-changing and ever-growing mix, and understanding them and perfecting them itself is a massive and complex undertaking.

4. Emotive performance

Historically, emotive performance with the contact center (e.g., how friendly agents are, how empathetic they are, how considerate they act, how well they express concern for customers) was perhaps understood as a function of the unique personalities who were staffing individual agent seats. The brand messaging that companies blasted through the airwaves may have told of ‘caring service’, but its execution was often a sore point for customers and contact center managers alike.

Not surprisingly, the traditional tools and approaches to emotive performance – hiring the right people, training, incentives and communications – are the same ones needed today. The difference today is that greater sophistication is required to understand the most important emotive events, and then to find techniques that explicitly and formally address these important interactions. Companies must take charge of the emotive equation and not delegate it to the chance behaviors of individual agents.

Sound tough? It is. But the new competitive battlefield will be one where companies make good on the emotional needs of the customers when it counts.

5. Products and services

A traditional mindset may think of the contact center as a place for problem resolution, billing questions, or account information. In many industries, the contact center must also deliver on key features of products and services.

In financial services, it's the ability to transfer funds or make a trade over the phone. In pharmaceutical retail, it's the ability to renew a prescription or find health advice. In telecom, it's the ability to upgrade service packages and change feature options. In most verticals, it's the ability to purchase over the phone with expert product advice and assistance without needing to ever visit a store or a branch. Soon, the online product experience will connect with the contact center, as live service options augment web service and web product fulfillment. As with other "cross-pollination" of contact center expectations, features that were once enabled for the sake of service will be expected on the products and services front.

6. Customer expectations by segment

While customers may not think of themselves in terms of 'segment', they do differentiate their own needs and expectations based on location, the amount they spend with a company, or the tenure of their relationship. For example, business customers using bulk agreements with a wireless provider may expect differentiated treatment in comparison to individual wireless customers.

The segment challenge presented to contact centers is by no means simple: there are intriguing plays to differentiate service by customer value while they also may set expectations for differentiated treatment in both positive and negative lights. Segmentation allows contact centers to extend better service, say with live agents, to high-value customers, while migrating less profitable customers to self-service channels. The operational implications can be challenging as companies manage expectations over segments, identify customers at the point of interaction by their segment, and successfully deliver multiple modes of differentiated treatment simultaneously.

CRM straight talk: The customer experience is more than a boil-down of hard metrics about speed, availability and information. These tactile performance measures are critical, but real progress in shaping the customer experience has to involve the emotional aspects. The key to understanding emotional success is understanding the customers' needs and expectations. By doing so, contact centers can understand what the most important interactions are: the moments of truth. By prioritizing delivery on these key moments, contact centers can deliver the right experiences at the right times and build customer advocacy within a realistic, achievable operational model.


Meeting the challenge: The appearance of perfection

While being perfect may be impossible, prioritization enables companies to appear more perfect, more often and more frequently. A simplified recipe for success can be thought of this way:

Manage key interactions to improve the customer's attitude toward a company. This is achieved by:

- Fix where the company fails on a promise
- Delight customers when it makes sense (and cents)
- Right-size delivery when an interaction doesn't matter

Customer Experience Management Imperatives

 <p>Delight customers when it makes sense (and cents)</p>	 <p>Right-size delivery when it matters less</p>	 <p>Fix where we fail on a promise</p>
----------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------

By understanding how an experience is built and applying the simple concepts above, companies can overcome common challenges to improving the customer experience in a realistic operational model.

The customer experience...

- It's too expensive
- There are not enough or the right kind of resources
- There's not enough time
- Things are going to change anyway

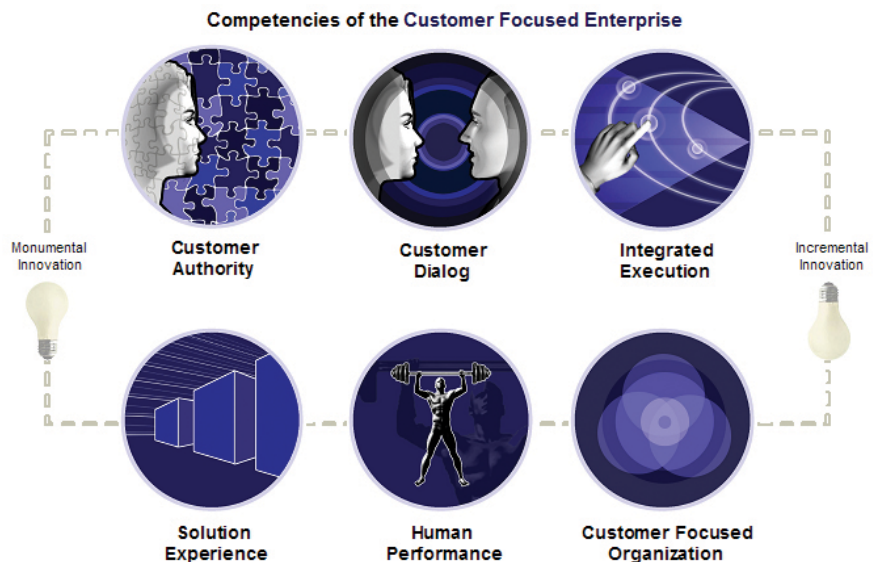
Prioritization allows...

- Focus on what really counts
- Smart deployment of resources, including low-cost and automated options
- Realization of benefits and competitiveness in the short term
- Improvement of the here-and-now without spending on programs that will be obsolete before they are finished

Note: there is a more discussion of prioritization and "moment of truth" analysis under separate cover in the CFE Handbook.

III. How do we operationalize this new view? Operationalize customer experiences through a Customer Focused Enterprise (CFE)

The “Customer Focused Enterprise” describes a company that understands the entire customer experience and delivers against it to build customer advocates while deploying resources effectively and smartly. The CFE embeds new competencies and practices into the contact center that make leading-edge customer experience strategies viable and operational. The IBM CFE model is composed of six top-level characteristics, shown below:



Listed below are more detailed descriptions of the six characteristics of the CFE. Embedded in each competency is a discipline of innovation that defines and shapes change within that function.

Customer authority



Customer authority is the consumer driven, “outside in” approach to designing customer interactions that delivers against the specific levers that drive optimal customer behavior. Contact centers that understand customer authority are able to approach their customers in ways that build advocacy through knowing the mindset of their customers, while simultaneously understanding the value of the customer to the enterprise.

Listed below are some of the key competencies and indicators of customer authority:

Enterprise-wide Customer Authority Theme	Contact Center Considerations
<p>Customer intelligence is the ability to capture customer information that creates true insight, including interaction data, transaction data, preference information, demographics and contextual information. Companies that develop customer intelligence are able to get to the truth about what customers feel and desire, and are able to convert that truth into actionable insight.</p>	<p>Customer information forms the foundation of real-time intelligent messaging in the contact center. By delivering critical customer information (such as contact history, profitability, recent purchases, and customer value) to the contact center agent during an interaction, a stronger bond can be formed with selected customers and higher profitability can be achieved. Real-time intelligent messaging allows contact centers to personalize its services for those customers it determines to be most valuable. It can also be proactive, automatically generating emails or instant messages to keep customers informed on order progress, service restoration, or can even be used to acknowledge birthdays, anniversary dates, etc.</p>
<p>Multi-dimensional segmentation is used to define customers by narrow segments that cut across life stage, product usage, behavior profile and profitability. This segmentation is used to understand customers, and is also applied to programs, operations, and specific customer interactions.</p>	<p>Contact Center managers have a valuable corroborator in their cases for improving the contact center: the customer. Capturing and expressing the ‘voice of the customer’ can be a critical tool in framing operational decisions and building cases for change in the contact center.</p> <p>The contact center is capable of capturing valuable information from its customers by means of post-contact or real-time customer surveys. Most customer surveys fall short of their potential, however, by limiting questioning to feedback relating directly to the contact itself. Creating an effective customer feedback strategy will result in the capture of information that can have be used to better understand customer needs, leading to higher customer satisfaction and advocacy.</p>

<p>Feedback loops are formal efforts to learn about customers' opinions. Smart companies use them – at both the individual and aggregate levels – to redefine business processes and programs. Customer focused enterprises find it important to prove to customers that their feedback is being used, validating the interchange with customers.</p>	<p>Within the contact center, data can be captured in real-time during the transaction by means of quality monitoring or recording, or with formal collection means such as surveys. In each case, the perspective of the customer is gathered to understand their expectations and drive improvements within the contact center.</p>
<p>New customer research methods are used to understand customer needs, emotions and behaviors. These techniques improve upon conventional means such as surveys and focus groups to capture more realistic, more truthful behavior, and measure actual outcomes when they occur.</p>	<p>Perhaps one of the most interesting developments in contact center research is the analysis of voice data for tonal and emotive response. This type of analysis determines stress levels, frustration levels and other emotional metrics that can be combined with the contextual information happening during the interaction for new insight. At an analytical level, managers can gain new insights into their customer. At the transactional level, action can be taken during the interaction to mitigate customer dissatisfaction or capitalize on delight.</p>



Customer dialog

Customer dialog refers to a business's ability to communicate and transact with customers intelligently and responsively during each interaction, on a customer-by-customer basis. This is achieved by capturing discrete behavioral triggers, secondary events and patterns. This information is used to generate specific communications, then route these communications in a seamless multi-channel fashion based upon sophisticated business, channel capacity and customer preference rules.

Listed below are some of the key competencies and indicators of customer dialog:

Enterprise-wide Customer Authority Theme	Contact Center Considerations
<p>Real-time intelligent messaging elevates every communication to a meaningful, smart interaction through the application of relationship attributes, life event information and data driven insights. Companies use intelligent messaging to transform generic, misfired or ineffectual communications into relationship-building events and new sales opportunities.</p>	<p>Customer information forms the foundation of real-time intelligent messaging in the contact center. By delivering critical customer information (such as contact history, profitability, recent purchases, and customer value) to the contact center agent during an interaction, a stronger bond can be formed with selected customers and higher profitability can be achieved. Real-time intelligent messaging allows contact centers to personalize its services for those customers it determines to be most valuable. It can also be proactive, automatically generating emails or instant messages to keep customers informed on order progress, service restoration, or can even be used to acknowledge birthdays, anniversary dates, etc.</p>
<p>Voice of the customer is a process for understanding and integrating the customer’s perspective in designing interactions. Smart companies encourage customers to provide feedback and insights. This information becomes a representative of the customers’ needs, and can be the impetus and champion for transforming business operations.</p>	<p>Contact Center managers have a valuable corroborator in their cases for improving the contact center: the customer. Capturing and expressing the ‘voice of the customer’ can be a critical tool in framing operational decisions and building cases for change in the contact center. The contact center is capable of capturing valuable information from its customers by means of post-contact or real-time customer surveys. Most customer surveys fall short of their potential, however, by limiting questioning to feedback relating directly to the contact itself. Creating an effective customer feedback strategy will result in the capture of information that can have be used to better understand customer needs, leading to higher customer satisfaction and advocacy.</p>

<p>Realistic segmented treatment is the idea that different customers should be treated differently, based on their profitability to the company and their preferences. While this is a powerful strategy, companies must verify that these tactics are possible with real life resources, as some programs may be difficult to deploy within complex organizations.</p>	<p>What happens when twenty callers are in queue and the last in line is your most valuable customer? What happens when a ‘gold’ member is recognized on the phone but not e-mail? These types of challenges can transform a well-intentioned service strategy into a customer breakdown if not handled correctly. Contact Center Managers must be able to successfully operationalize segmentation strategies to insure that their most valuable customers receive consistent treatment, regardless of which method of communication they choose.</p> <p>Leveraging capabilities such as Skills-Based and Data-Driven Routing, contact centers can transform the traditional “first-in, first-out” method of routing calls to one that delivers higher customer value by providing preferential, more personalized treatment to valuable customers, matching them to the agent best equipped to serve their needs.</p>
<p>Event-based rules are instructions on how a company should react to specific customer stimuli. In other words, when X happens, we should do Y. Companies should define and maintain a library of event-based rules that trigger communication events based on customer and company actions. By doing so, companies can respond to customers consistently while acting towards specific goals and objectives.</p>	<p>A leading edge tool for the contact center is the rules engine (reactive and proactive). A rules engine can be used to determine how each transaction (phone, email, web, etc.) is handled based upon the value placed on the client and specific contextual information of the interaction. For instance, a rules engine can be used to personalize a customer’s voice menu options to only include those choices for products and services they use. Or, the rules engine can be leveraged to determine which agent should handle a specific customer’s transactions. Proactive, events-based rules engines could also be used to predict the reason for a customer’s transaction using information such as recent order activity, open trouble tickets, etc. As part of a customer dialog, contact centers are the natural starting point for use of event-based rules engines.</p>

<p>Active recovery and service-to-sales is a discipline of treating service inquiries as an opportunity for relationship-building. Companies should establish a service-to-sales approach that senses sales opportunities during inbound customer contacts and effectively “earns the right” to transition to sales activities. The best businesses are proactive in service recovery, creating advocacy-building moments out of potential breakdowns in the customer experience.</p>	<p>As the owner of a high percentage of service transactions, the contact center is the natural place to resolve customer issues and to leverage opportunities to convert service requests into new sales. This prospect has long garnered excitement among marketing and sales heads who understand the opportunity for new revenue.</p> <p>Contact center managers understand that service is a much different skill set than sales. Therefore, equipping agents to handle both, and teaching them how to transition from one to the other gracefully, is a tall order. From the customers’ view, a botched service-to-sales pitch can seem cheap and intrusive. Contact center managers must examine the skills and technologies needed for this provocative concept, and understand the operational pitfalls as well as the prospective upside opportunities.</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



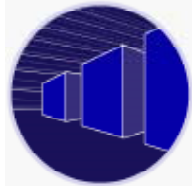
Integrated execution

Integrated execution is how companies deliver a consistent experience and allow intelligent, cross-channel execution of customer interactions. Different channels are used to enable a consistent interaction based on customer needs, preferences and profitability.

Listed below are some of the key competencies and indicators of integrated execution:

Enterprise-wide Integrated Execution Theme	Contact Center Considerations
<p>Method of choice allows customers to personalize and choose the channels they would like to use for interaction and receipt and delivery of information. This competency takes more than just recording a customer’s preferred channel. It requires being able to act on it with every communication, and having the proper channel infrastructure to do so.</p>	<p>Using customer feedback, Contact center managers should champion and take ownership of ‘method of choice’ programs, sharing important interaction data with marketing, sales and others. Organizationally, the contact center must help establish explicit rules and integral programs with other channel participants to determine what channels are offered in response to customer needs and whether every customer has access to every channel.</p>
<p>Multi-modal interaction is used to enable customers to conduct interactions and dialog over multiple modes of communication, such as voice, data, or different channels with ease and with consistent treatment, data availability, and quality of experience. Companies able to do this meet their customers’ expectations, minimize frustration, and are able to present a consistent and unified experience.</p>	<p>One of the most recent developments in cross-channel coordination is the capability for the customer to request and receive live agent assistance while exploring the web site. This multi-modal interaction is more than a gimmicky new feature, it helps reinforce and improve the customer’s self-service experience by delivering back-up support when it is necessary. In addition to helping drive self-service transactions, new and more complex transactions can be added to the contact center mix by leveraging collaboration capabilities, where agents can physically assist web self-service clients in filling out forms, receiving requested information in real-time, etc.</p>

<p>Distributed delivery is when companies deploy resources to reduce the need for central infrastructure and thereby lower costs. Companies should use this as an opportunity to meet customers according to their preferences to improve the customer experience. This phenomenon is being driven by the adoption of remote technologies (e.g., web, devices) of both customers and distribution channel employees, such as sales reps.</p>	<p>With more sophisticated IP technology, the wide-availability of broadband, and the opening of offshore labor markets, the contact center has more opportunities now to distribute their workforces geographically than ever before. Contact centers can ‘de-centralize’ their operations, virtually routing calls offshore or to work-at-home agents as easily as they do on campus.</p> <p>In the consideration that other labor forces are distributed (such as field agents working from home), companies will seek to ‘centralize’ services previously available at the branch office. These services may open new audiences to contact centers as they begin servicing employees as well as customers.</p>
<p>Demographic circles are a method of understanding customer preferences by a geographical or demographic preference, such as culture and nationality. Companies provide customers an experience that is consistent with their own habitats, such as matching accents or speaking patterns. This is increasingly more important with distributed workforces.</p>	<p>This opportunity to address the demographic needs of customer is easily managed within the contact center domain. Foreign language-speaking callers may be routed to the appropriate agent based upon their language preference. For example, callers who are identified as Spanish speakers can automatically be routed to a Spanish-speaking agent without asking them the question each and every time.</p>
<p>Partners as an extended view is the concept that external partner businesses require consistent customer information and customer treatment policies in order to fulfill the company’s customer focused strategies. Companies should treat partners as an extended view of the enterprise by equipping them with the ability to emulate the brand, operations and skills of the company to become transparent to the customer.</p>	<p>This issue and opportunity cannot be boiled down to simply technology, infrastructure or resource combinations like other programs. Getting partners to adopt service standards or maintain a consistent customer experience typically requires critical policy agreements, service level agreements, organizational cooperation, and even solidarity on customer vision. At a tactical level, investments have to be made in data integration and sharing, and co-mingling of training, skills, and technology.</p>



Solution experience

Solution experience is about delivering needs-based solutions (combinations of products and services) that contribute to the holistic customer experience, based on the wants and needs of the customer as understood across the enterprise.

Listed below are some of the key competencies and indicators of solution experience:

Enterprise-wide Customer Authority Theme	Contact Center Considerations
<p>Needs-based orientation is the practice of building products and services around the specific requirements of individual customers. Companies can transform sales and product delivery to address the needs of the customer, delivering custom solutions versus one-size-fits-all products when it makes sense to do so. This can create stronger ties to the company, increase switching efforts for customers, and create higher satisfaction among customers.</p>	<p>As in product development, the live sales, service, and support functions of a company’s value proposition should also be tailored via a needs-based orientation. The contact center manager should come to the table with the same enthusiasm for custom solutions as the product development team, and should advocate for delivering a needs-based orientation through the contact center.</p> <p>Development of customized, needs-based solutions are limitless possibilities, and include customization of client menus (designed to address only those products and services they use), transaction routing to requested agents, proactive outreach calling, customized queue messages, etc.</p>

<p>Bundles and up-sell sophistication combine products and services to fulfill multiple needs of the customer while often providing them other advantages, such as integrated access or price discounts. Bundles and up-selling can be a win-win for companies and customers. Customers get more while companies increase their hold on the customer, capture a larger share of wallet, and gain deeper insights into the customer's behavior.</p>	<p>Converting service to sales, cross-selling and up-selling new products and services to customers has enormous relevance in the contact center environment today. By identifying a product or service weakness that is the source of customer frustration, and offering the customer an upgrade or bundle that will better meet their needs, agents can improve the customer experience and make a significant revenue contribution at the same time. Although these specific interactions are not appropriate for all customer interactions, knowing when and how to capitalize upon these opportunities is critically important. The key is to have formal systems and processes, including knowledge management and training, that enables the agent to identify a sales opportunity and then empowers them to close the deal.</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



Human performance

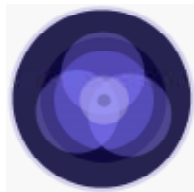
Human performance is how companies foster sustained employee commitment and engagement to allow employees to better meet personal and organizational objectives, all while better serving and being advocates for the customer.

Listed below are some of the key competencies and indicators of human performance:

Enterprise-wide Human Performance Theme	Contact Center Considerations
<p>Agile workforces provide employees with human development progression planning capabilities based on personal and lifecycle objectives. Companies with agile workforces are able to evaluate staff at the individual, departmental, division, and geographic levels, determine the needs of the organization, and redeploy resources smartly.</p>	<p>Arguably, agile workforces may be the most significant operational shift in the contact center in the past decade, perhaps only paralleled (and, of course, enabled by) the leaps in technology also seen this same period. Outsourcing, for instance, provides enormous benefits in speed, capacity management, and cost control, while mitigating internal constraints and resource expenditures. At the same time, these tactics are rife with their own complications, such as data management, process control, security and even public relations backlash. Today, many contact center managers are likely to have some portion of their operations outsourced, with further tests and plans for future usage. There is no optimal solution or combination of operational models that fits each company, and the savvy contact center manager understands that outsourcing is a powerful tool that must be balanced with the objectives and needs of the company and its customers. With this in mind, contact center managers must take a strategic view of their operations, incorporating agile workforce decisions in their strategic planning and blueprinting efforts, and not attempt to use outsourcing as a complete, stand-alone solution. Virtualization is another intriguing trend impacting today's contact center. By configuring multiple centers to function as one, deploying work-at-home agents, and leveraging other non-contact center resources available throughout the enterprise, contact centers are able to improve overall productivity, increase their capacity to handle transactions and improve their capability to respond to periodic spikes in volume. The result is improved customer and employee satisfaction at lower cost.</p>

<p>Cognitive-based change management entails advanced methods for supporting change that utilize psychological and motivational factors. Companies should utilize these new human development techniques that move beyond traditional skills and basic knowledge retention. Companies that are successful in this are able to obtain employee and leadership commitment, engagement and productivity.</p>	<p>It's always been a challenge to get large populations of employees to march to the same drummer, regardless of backgrounds or payscale. The fact that there is often high employee turnover in contact centers complicates this task considerably. The best customer data-driven analysis or CRM vision is useless unless it is consistently executed on the front line.</p> <p>These new training techniques were made with contact center agents in mind. By adding new training and behavioral techniques to the skill developer's toolbox, contact center managers can find new ways to direct how the agent behaves and how effectively they deliver on customer focused programs.</p>
<p>Role alignment is used to match the right person with the right job, including matching skills, aptitude, and personality. Companies should use personality and competency evaluations and tools to best match employees with jobs that fit their personalities and skills. These techniques can be used in recruiting and to deploy existing staff.</p>	<p>At the recruiting level, contact centers should conduct employee personality and competency evaluations to select employees who are suited for the particular style of service and interaction the company requires. There are external vendors who specialize in this form of evaluation and recruiting.</p> <p>At an interaction level, contact centers can use sophisticated routing processes to match the right type of interaction with the right type of skill. This involves a much deeper understanding of individual skill sets and the ability to 'systemize' this understanding within the routing process.</p>
<p>Personal customer commitment should be generated among employees. Commitment should go beyond cosmetic employee slogans and be based on meaningful motivation within the employees' job. To do this, companies must provide each customer-facing employee with a personal motivation to sustain a customer focus.</p>	<p>Gaining a personal customer commitment among legions of contact center staff can't be reliably accomplished by 'force feeding' them mantras and directives. Educational and motivational programs are required to reinforce the commitment to serve the customer. At the baseline, companies must invest in development of employees who understand the benefits of advocating customers: revenue, company health, and for the agent, a smoother, more effective, and more satisfying workday.</p>

<p>Parallel interest and rewards involves creating motivations and incentives for customer-facing employees that align to customer strategies. Companies should align the personnel interests of employees with job roles and use customer-focused metrics to measure success</p>	<p>Strong companions to education are real rewards for customer focused behavior: compensatory consideration, incentives, career path, perks, and recognition. This suggests a need for customer focused metrics that are applied to the reward process.</p> <p>Identifying and addressing the personal interests of agents is another path to sustaining agent commitment to customer causes. This involves a serious approach to developing career paths and career development. Although it won't benefit all types of agents, it does benefit the best kind – those who demonstrate interest in their careers and the customer. For the company, it increases retention among the best and most valuable agents, improving overall contact center effectiveness while mitigating the costs of replacing quality employees.</p>
<p>Knowledge management and continuous learning is required to direct and increase human performance. Successful companies enable resources to leverage institutional knowledge quickly and systemically, providing a basis for continuous learning throughout the employee population.</p>	<p>A beneficial application of knowledge management is the delivery of intelligence on demand, or, in other words, delivering knowledge at the exact point it is needed by an agent. Imagine an agent being asked a question for the first time by a customer and being able to expertly answer it because it was delivered to her at the exact moment of need using a sophisticated knowledge-based system capable of prompting answers based on the context of the call. Although this vision has been considered for some time, today's technology is finally making it a more affordable, short-term reality.</p>



Customer-focused organization

Customer-focused organization entails how functional groups and lines of business collaborate to fulfill customer-centric strategies and tactics. (for example, adjust organizational boundaries and measurements to facilitate customer segment-focused activity by redefining profit and loss [P&L] responsibility) Listed below are some of the key competencies and indicators of a customer focused organization:

Enterprise-wide Customer-Focused Theme	Contact Center Considerations
<p>A Segment-influenced operating model involves the realignment of organization boundaries and control structures towards customer strategies. Companies should redefine silos, divisions and organization around customer segments so that decision making can be made in the interest of customer-focused strategies, not short-term divisional objectives. To do this, companies must place decision-making authority in line with customers and segments, versus the traditional alignment against products and channels. Corporate accountability, including revenue attribution and budgeting, should be placed under the management of customer-focused leadership.</p>	<p>Intuitively, there is a natural bundle of capabilities in the contact center that logically seem like they should remain under consistent leadership. This said, real customer strategies will always have difficulty taking root if they never hold a true power seat within the enterprise. The contact center must determine if its operational organization will serve segment leadership, or whether segment leadership will be parsed out of the operational leadership. In either case, a transformation to a segment-influenced operating model should be taken under serious contemplation for both its power to make effective change, and its real complexity in effective management.</p>
<p>Cross-functional collaboration is often necessary to enable many key customer strategies, especially management of the customer experience, the coordination of channels, product bundling and solution selling strategies, and brand alignment programs. By enabling departments and channels to collaborate on fulfilling singular customer experiences and customer strategies, businesses are able to deliver on consistent experiences for the customer.</p>	<p>In many organizations, the contact center may be seen as a bureau or vendor to sales and marketing. In others, they are the peer that delivers customer service. In any case, the contact center must be a willing participant in cross-functional collaboration with marketing, sales, self-service, e-channels, and other departments to fully realize most CRM and customer-focused initiatives. At the tactical level, this may involve setting jurisdictions, service level agreements, cross-functional teams, and formal problem solving processes.</p>

CRM straight talk: Delivering successful customer experiences needs to happen across many different disciplines within a contact center. Customer focused enterprises embrace six key disciplines: customer authority, customer dialog, integrated execution, solution experience, human performance and customer-focused organization. Innovation must be injected into each of these disciplines on an ongoing basis as companies grow and improve.

<p>Customer leadership and alignment is putting real representation of the customer and the customer objectives in the executive suite. To do this, companies often establish top-level executive leadership that advocates for and has authority to serve the customer. Examples of titles may be Chief Customer Officer, Chief Loyalty Officer or SVP of Customer Experience.</p>	<p>At the contact center level, there may opportunities to extend this notion to senior and middle management within the contact center operation. These roles may be strategic in terms of defining new customer programs and advocating for the customer, or tactical where the customer-aligned staff have daily responsibilities tied to the customer focused programs.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

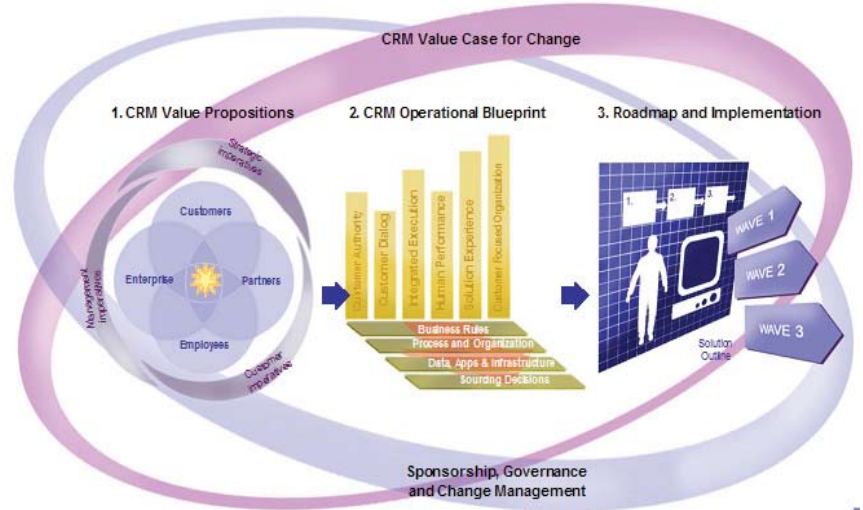
Innovation discipline

Innovation should fuel the change across the entire CFE. Companies should establish an environment that promotes a systematic ideation capability to cultivate the intersection of insight with invention. Companies need to increase collaboration both within their enterprises and with partners to know when incremental (or monumental) change is beneficial to the entire business model and to act on that change in a meaningful way.

IV. How do we get it done?

Get it “done right” through new IBM project techniques

The CRM done right framework for developing sustainable, successful CRM operations is illustrated below. It has five main interlinked components that describe key steps to completing transformation projects at large companies. A complete, detailed account of this approach is available in the IBM executive handbook, “CRM done right: executive handbook for realizing the value of CRM.”



All phases are critical to building customer experience operations and each phase has different considerations, strengths and obstacles as they apply to customer experience operations specifically.

Success factor	Summary description	Contact Center Considerations
<p>A. Realize your CRM Value case for change</p>	<p>This is the answer to the question “why are we doing this?” The value case for change is the format by which management establishes projected benefits of the project, initiative or program and sets the baseline costs and business implications of making the change. It also defines:</p> <ul style="list-style-type: none"> - Justification for moving ahead with the change - Areas of highest ROI - A framework for prescribing, supporting and monitoring subsequent actions – including when to make incremental “sense and respond” course corrections and when to make significant, strategic shifts 	<p>Contact center leadership has historically been adept at calculating costs and margins, being able to track tight knit metrics and account for infrastructure costs right down to headsets and carpeting square footage. The more challenging aspects of the contact center value case will be in understanding the upside benefits of customer advocacy and its resulting effects on loyalty and new revenue.</p>
<p>B. Identify and prioritize your CRM value propositions</p>	<p>Here we define the specific strategies that create value for the various stakeholders in our CRM equation, including the company’s interest, customers, employees and partners. We consider what imperatives are important for business success such as competitive threats, financial pressures or new opportunities. Essentially, we define at the outset how value will be created by our efforts.</p>	<p>There are new techniques for designing CRM and customer value propositions within the contact center. Use the customer experience framework shown in section II to develop a full view of a contact center value proposition, inclusive of emotive and tactile performance. Understand key ‘moments of truth’ as a way to understand and prioritize the vision.</p>

<p>C. Design your new CRM operational blueprint</p>	<p>By designing the blueprint, the company chooses the end-state operational vision for the new CRM operations. This includes determining what the specific experiences will be for stakeholders, determining how the company will deploy resources, how new technologies and infrastructure are built, how new process are designed and creating a comprehensive strategy for managing the change.</p>	<p>The contact center blueprint defines the future state of the new contact center. Blueprinting challenges for contact center leadership include the inclusion of newer technologies such as IP telephony, voice recognition, and online interaction. It also should include innovations in staffing, including many of the ones listed in section III, such as outsourcing, virtualization, and cognitive based change management. Use a component-based business architecture approach to maximize effectiveness in design.</p>
<p>D. Construct your multi-generational roadmap and implement your solutions</p>	<p>The roadmap is the plan the organization creates to realize the blueprint of the CRM operating model. It turns the blueprint into a prioritized, sequence of time-fixed workstreams (also known as projects) that are implemented at a rate that the organization can handle and manage successfully. The multigenerational roadmap, by nature, defines projects that contribute value and ROI on their own, as well as building toward the long-term vision. This duality enables organizations to realize ongoing business value while making necessary interim changes and course corrections.</p>	<p>View the contact center as the place to find early results and benefits for broader CRM initiatives. Use the contact center as controlled test bed for new initiatives, proving the benefits of customer focused programs and making the case for enterprise-wide adoption.</p>

CRM straight talk: Developing a new perspective or vision for better customer experiences is only the beginning. Successful companies must embrace a structured and purposeful means of change to transfer customer experience ideals from the drawing board to real life operations. The “CRM done right” approach provides a sound, structured, and proven path for organizational transformation, from securing agreement on a comprehensive vision, to confirming commitment throughout multiple implementation phases

<p>E. Build support for your CRM efforts and stay on track through sponsorship, governance and change management</p>	<p>By building support for your CRM efforts, you verify that the organization stays committed throughout the deployment of the new operations. Here we answer the question, “Is everybody on board?” Building support for CRM efforts helps ensure that projects and transformations are measured and directed toward their goals. The organization engenders cooperation and collaboration, leadership consensus and a formal policy for making decisions and guiding the efforts. Additionally, the employee population is shepherded through the change.</p>	<p>At the employee level, adoption and change will often be the most challenging for contact center leadership in comparison with other departments in the enterprise. Contact centers have large staffs that have significant daily contact with customers. Transforming the customer-touching staff is arguably one of the most critical transformations that must occur for successful CRM initiatives. At the departmental level, the contact center should seek to both enthusiastically participate in, and when they can, lead customer-focused initiatives.</p>
----------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Conclusion

Companies ready to move forward with improving their customer experiences have significant challenges ahead of them, but also stand to make significant gains. Creating a Customer Focused Enterprise is a significant and worthwhile undertaking that cannot realistically be rolled out across an organization all at once. Establishment of a test-bed, one that leverages the strengths, control and flexibility available only in the contact center, allows an organization to try out and adjust its customer strategies in an ideal setting, thereby increasing its prospects for a successful enterprise-wide implementation. By employing a rational customer experience framework that prioritizes resources according to the impact of particular customer interactions, the Customer-Focused Contact Center can build achievable operational models that create customer advocates and, simultaneously, validate strategies and practices that may be replicated throughout the enterprise.

Contributors

About IBM Global Business Services and the Contact Center Practice

IBM clients – businesses worldwide, across industries – are today reaping the rewards of a self-sustaining approach to CRM that enables them to accurately assess their strengths and weaknesses, calculate risks, control investments, manage change and set reasonable expectations from the start.

Contact Center Optimization improves the efficiency and effectiveness of contact center operations. It covers inbound and outbound, sales and service contact centers and their related self service channels.

With 5,700 consultants serving thousands of clients across the globe, IBM offers a wide spectrum of contact center-specific services, positioning us as a strategic partner to our clients.

- Contact Center Strategic Consulting
- Systems Integration
- Telephony Systems
- Self-Service Applications
- Desktop and Support Applications
- Contact Center Outsourcing
- IP Contact Center Transformation

ibm.com/bcs



© Copyright IBM Corporation 2006

IBM Global Services
Route 100
Somers, NY 10589
U.S.A.

Produced in the United States of America
08-06
All Rights Reserved

IBM and the IBM logo are trademarks or registered trademarks of International Business Machines Corporation in the United States, other countries, or both.

Other company, product and service names may be trademarks or service marks of others.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.