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Six Ways to Make Dollars from Change

How Your Contact Center Can Help You Thrive in a Volatile Market

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Introduction

The White House calls it "a rough patch." Economists are reluctant to call it a recession. It seems that just about everyone is avoiding using the dreaded "R" word. No matter what name you give it, the recent dramatic change in the economy has touched everyone in one way or another. Discretionary consumer spending is under pressure from so many factors, including higher energy and health care costs, the housing slump, increasing unemployment, and high levels of consumer debt accompanied by tighter credit.

With many businesses chasing ever fewer consumer dollars with the very same products and services, tremendous competition has ensued, meaning that the right offer made at the right time can easily entice customers to change suppliers.

During these challenging economic times, a typical knee-jerk reaction is to cut spending on customer service. However, this is the last thing in the world your company should be doing. Companies that continue to invest in the customer experience will not only have a better chance of growing market share than their cost-cutting competitors, but they are also more likely to reduce operational costs by improving operational efficiency.

Customer service is one of the biggest influencers on loyalty today. Because customer loyalty dramatically impacts revenue and a company's bottom line, it's imperative that the contact center — as the primary customer touch point — take a proactive approach to delivering superior service. Genesys 2006 research reveals that 78% of consumers say that contact center agents have a significant influence on their opinion of a company. Further, 82% of consumers would do business with a company based on a great call center experience, while 44% of customers stop doing business with a company because of a poor contact center experience.

78% — *Say contact center agents have a significant influence on their opinion of a company*
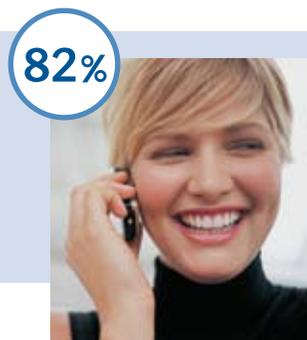
82% — *Would do business with a company based on a great contact center experience*

44% — *Of defecting customers cite a poor contact center experience as the sole reason*

Source: Genesys Research

Still, cost control is an economic reality for most businesses when the economy is tight. Therefore, it's crucial for companies to make their contact centers do even more with their limited resources to ensure that customers' increasingly high service expectations are met. They key is to operate more efficiently — or, in other words, to "make dollars from change."

This paper identifies the six critical areas in which companies must invest to set themselves apart from the competition, and it explains how the Genesys Dynamic Contact Center provides the integrated communication technologies that are critical to optimizing customer traffic, internal resources, and business outcomes so that companies can work leaner, faster, and smarter than ever — whether in good economic times or bad.

Six Ways to Make Dollars from Change

Hunkering down by cutting contact center costs is not the best way to cope with uncertain economic conditions when only the fittest will survive. In this environment, contact center investment is not an option — it is an imperative — because you must both learn how to do things better than your competitors and become indispensable to your customers.

Six ways to "make dollars from change" represent the investment opportunities most likely to help your contact center thrive in today's volatile market.

1. Keep Your Hard Earned Customers

Building customer loyalty is the single most important factor that separates the market winners from the mediocre performers. According to the Harvard Business Review, "…companies with high customer satisfaction scores have blown the S&P 500 out of the water, especially over the last few years. Not only have they produced higher stock returns, but their stock values and cash flows have been less volatile." And, because it cost five times more to acquire a new customer than to retain one, customer loyalty initiatives are well worth the investment.

A great customer experience is the linchpin to reaping the financial benefits of sustained organic growth and avoiding the revenue hit of losing customers, or the acquisition cost of replacing them. In the face of reduced direct customer contact and influence, industry leaders recognize the critical role that the contact center plays in delivering a great customer experience. They also understand how streamlining and enhancing customer interactions can improve operational efficiency.

Offer an intelligent Customer Front Door™

So, what makes a great customer experience in the contact center? When consumers use the call center channel, the Interactive Voice Response (IVR) system provides the customer's first impression of a company and reinforces its brand image. It also serves as a guide to the company's services, and determines how well the company can decrease handling times or the volume of calls that agents and staff must handle.

While automated IVRs have been effective in reducing call volumes and delivering elementary self-service, they have also added significant complexity and frustration for the consumer because of confusing menus, long hold times, misroutes, and requirements to repeat the same information.

Unlike traditional IVR technologies, the intelligent Customer Front Door (iCFD) helps companies create a welcoming "virtual front door" that not only greets the caller, but also gathers the caller's intentions, adds contextual information about the caller's profile and history, determines the most appropriate next step — self- or assisted-service — and then routes them to the most suitable resource to effectively resolve the interaction.

The iCFD will help elevate the contact center to a more strategic role in the organization by aligning it with the business' goals and customer service strategies, and enabling it to more positively influence the end-to-end customer experience.

Be Proactive Rather Than Reactive

Many contact centers are basically in reactive mode waiting for their customers to contact them. But, in a challenging economic environment with everyone vying for their business, proactive outbound communications represents a great opportunity for companies to set their service apart from the competition. Taking the initiative to proactively contact your customers will have a significant positive impact on the customer experience and how your company is perceived, as well as saving your company time and money.

Results of the "Genesys Consumer Survey 2006 – USA" reveal that 88% of consumers would have a more positive opinion of a supplier after receiving a courtesy call just to thank them for their business or ask them how satisfied they are. The same Genesys survey shows that 84% of consumers would like to receive proactive communications from companies to keep them informed about service delivery and/or other products and services that may be of interest to them. Companies can delight their customers by sending regular proactive notifications regarding such services as order delivery status and appointment reminders. These notifications, in turn, can reduce costs by lowering the number of attempts to deliver a parcel and by preventing missed appointments.

Proactive notifications can help reduce contact center costs and improve customer satisfaction. For example, rather than customers having to make calls to inquire about an unexpected power outage, they can receive outage notifications beforehand (including estimated restoration times) via their preferred interaction channel, such as the phone or e-mail, and then also be notified when service is restored. This is a win-win situation. The company avoids the costs of having to handle spikes in call volume, and the customer doesn't have to deal with long wait times to find out what is actually happening.

2. Communicate the Way Your Customers Want

If you haven't taken the steps to communicate the way your customers want, you increase the risk of losing their business to your competitors who are being more responsive to their needs. But by understanding and adapting to the needs of individual customers and by overcoming self-service limitations, you will gain a competitive advantage.

Provide a Consistent Multi-Channel Experience

Because customers have come to expect multi-channel availability (phone, self-service, e-mail, Web, chat, text messaging, etc.), businesses will have to raise the bar on their customer service by unifying the customer experience across all of these channels.

Consistency over communications channels improves both the customer experience and customer loyalty because they can choose their preferred channel without experiencing a loss of service quality. When all channels are processed in a uniform manner, operational costs also decrease dramatically and customer satisfaction increases. Valuable resources are saved because the interaction is handled at the channel where the interaction originated, rather than the customer having to make a second interaction via another channel (usually a call) to complete their request.

Add the Personal Touch

Increasingly, contact centers are reaching out to individual customers with service and sales interactions designed specifically to meet their needs. Front-office integration with the call center gives agents a 360-degree view of the customer, which helps in focusing on long-term customer satisfaction and profitability, and eliminates unproductive marketing efforts.

Agents have access to the right information across all touch points to enable more effective interaction with the customer. In this way, customers may receive a personalized sales and service experience based on their current behavior, recent interactions across all channels, existing products and services, as well as detailed knowledge of their demographics, lifestyle, and propensity to buy. Going one step further, high-value customers may interact, when possible, with a dedicated agent who is intimately familiar with their history and needs.

Overcome Self-Service Limitations

One of the most important benefits of self-service is that it offers the lowest cost means of assisting customers. For instance, Gartner estimates that the cost of the average Web self-service session is $1.10 per query, compared with $6 to $10 for a call. However, the customer experience often suffers through the self-service channel. According to the Genesys Global Consumer Survey 2006/07, 76% of consumers feel that companies are pushing them to use self-service systems instead of allowing them to talk to live agents, and that 66% of consumers react negatively about this.

However, implementing self-service technologies and enriching the customer experience do not have to be at odds. Personalizing self-service will serve to consistently and reliably meet or exceed the expectations of customers, while also managing costs. Further, as with other channels, using historical transaction data can help to give the self-service application a personal touch and make it easier for customers to conduct business.

A company should always give customers the option to be connected to a live agent, and should make sure this transition is as seamless as possible by not making the customer repeat information already provided in the self-service session. Further, a company may want to proactively transfer self-service callers to a live agent when resources are available, or when a company wants to communicate directly with the customer to either provide excellent customer service or to make cross-sell or up-sell offers.

3. Handle Calls Intelligently and On Time

Top priorities for businesses as they look to control contact center costs when taking calls are to make sure they still provide outstanding customer service and meet revenue objectives. The three key technologies to accomplish these objectives are skills-based routing, virtual hold technology, and business priority routing.

Connect Customers to the Right Agent the First Time

An IVR system not only identifies customers, but also why they are calling. With this knowledge, skills-based routing determines where the call should be directed — either to a self-service application or to an agent most qualified to efficiently handle the call based on specialized knowledge of a specific product, service, billing procedure, or sales inquiry, or the ability to speak the customer's native language.

Skills-based routing has a major impact on increasing consumers' satisfaction with a contact center experience, as well as on lowering contact center costs. Customers feel recognized and valued because they have their issue quickly and competently resolved without being transferred. The contact center saves money not only by decreasing the number of people resources required to handle the call, but also by reducing handle times and avoiding call back management and repeat calls when the customer's issue isn't resolved on first contact.

Don't Leave Customers on Hold

Long hold times are the biggest cause of frustration for consumers. According to the Genesys Global Consumer Survey 2006/07, 88% of consumers would prefer to receive a call back in 10 minutes than to be left on hold for that length of time and 74% would like the option to ask for a call back if the wait time will be even longer.

During times of peak volume, virtual hold technology allows customers to receive a call back at a convenient time rather than to wait on hold. This technique improves call response times, reduces call abandon rates, decreases telecommunications costs, and increases customer satisfaction levels without adding costs for additional resources.

Balance Customer Interaction Volume with Business Objectives

Balancing customer interaction volume with business objectives is a common contact center challenge. Using business priority routing, contact centers are able to segment and prioritize customer interactions according to criteria such as business value, desired service level, media type, required resources, current contact center traffic conditions, or other specific needs as determined by the center.

Like skills-based routing, business priority routing helps to improve the customer experience and to reduce costs by using resources more efficiently: customers who need to transfer to another agent to finalize their business aren't penalized with additional wait times; contact centers can have the best possible chance of meeting service level objectives for all interactions without adding expensive resources; and uneven and overstaffed agent queues can be balanced for more consistent customer service.

4. Improve Operational Efficiency

Given the uncertainty in consumer spending, contact center cost containment is gaining importance for many businesses. However, for a variety of reasons, they struggle with the age-old problem of trying to keep costs low without negatively impacting customer service and sales. Aligning investments in new technologies and service delivery with business objectives will help to achieve the highest level of contact center efficiency without sacrificing the ability to deliver a great customer experience.

Switch to Voice over Internet Protocol Technology

Voice over Internet Protocol (VoIP) is well noted for its ability to reduce network and toll costs. However, according to Nemertes Research, companies often overlook telecommuting cost savings, noting that VoIP can save a company with 500 telecommuters $300,000 per year. This is certainly an added bonus with the increased use of home-agent models in contact centers.

More importantly, VoIP is a way to improve the customer experience and agent productivity by enabling new applications as well as unified messaging. The Yankee Group found that companies with VoIP systems are 25% to 35% more responsive to customers, and that the productivity of their employees who spend a significant portion of the day on the phone rose by the same amount.

Draw Upon a Virtual Pool of Resources as Needed

Rather than trying to physically consolidate contact centers to save money, companies ought to consider linking them together to create a single virtual contact center. This approach will not only help to quell concerns about providing quality customer service, but it can be far more effective for agent utilization and will also cut costs without negatively impacting customer service.

A virtual contact center allows geographically dispersed contact center agents to operate as a single, winning team. Regardless of where the contact center agents are located — branch offices, remote sites, at home, outsourced call centers or in the field — they can be called upon, as available, to ensure appropriate response levels and provide access to needed expertise.

Virtualization will also allow less expensive outsourced resources to be utilized in a way that will not jeopardize valued customer relationships. Outsourced agents can be brought into the fold during peak periods to handle routine types of calls, while more demanding interactions can still be handled at local contact centers.

Integrate Every-Day Contact Center Activities with Back-Office Processes

Many contact center interactions involve multi-step business processes that may include multiple contacts with customers, internal departments, and third parties. As the communications hub for the company, the contact center can be harnessed to automate and expedite end-to-end business processes supporting these communications. By directly integrating the contact center and workflow management with the back-office, the contact center becomes an active participant in driving business efficiency.

An organization can reduce the time and effort for conducting such activities as opening new accounts, approving documents, and resolving billing issues by automating the various external interactions and notifications required to complete these processes. Workflow management allows the service representative to efficiently take all necessary steps to resolve customer queries, reducing the time it takes to get customers the answers they are looking for. As back- and front-office integration decreases average handling times and reduces unnecessary repeat contacts to resolve issues, customer satisfaction increases while the contact center workload and costs are lowered.

Reduce the Risk of Scaling Contact Center Operations

Managing call fluctuations is always difficult, but becomes even more challenging during times when the economy is making consumer demand forecasts less reliable. With growing business uncertainty, upfront investment in additional premise-based resources is risky even if funds are available. The addition of a hosted solution is a way to easily and economically scale contact center operations up or down as consumer demand dictates. The result is that the customer experience doesn't suffer during unexpected spikes in demand, and the contact center isn't left with a financial write off during an unexpected decline in business.

5. Increase Agent Productivity and Satisfaction

Employee payroll represents the single largest cost in most contact centers by a considerable margin. Further, when agent job satisfaction ratings remain low, accompanied by notoriously high attrition rates and increased competition for highly skilled agents, the negative impact on the customer experience becomes undeniable.

Taking the appropriate steps to ensure that agents are well-managed will help reap huge business benefits for your company — not least by increasing customer loyalty, retention, and profitability — but also by creating a tremendous competitive advantage.

Make the Most of Your Valued Staff

Balancing control of staffing costs with customer-focused service delivery requires workforce management (WFM) software. WFM software is a critical requirement for effectively forecasting, scheduling, and tracking operational needs within the contact center to help minimize these costs while making sure that customers still receive fast and reliable service.

The ideal WFM environment includes real-time adherence that spans all contact channels across the enterprise to: forecast events and staff appropriately; ensure that agents are where they are supposed to be and doing what they are supposed to be doing; and communicate with the contact routing engine to factor in staffing requirements and availability as part of contact routing. In this way, a contact center yields the best possible customer experience in a cost-effective manner.

Make Every Second Count

Contact centers benefit from taking advantage of every possible opportunity to optimize their agent's time. Call blending allows agents to handle both inbound and outbound sales calls as call volume and skills permit, while multimedia blending allows agents to offer their assistance at different interaction channels. For instance, contact center agents can be switched to answering e-mails or engaging in text chats with customers. Not only does this maximize staff productivity and customer service, but interaction blending also breaks up the potential monotony of the position.

6. Stay One Step Ahead of the Competition

Many customers are attracted to companies that have a cutting-edge profile. It can create the famous "me too" effect — customers want to associate themselves with quality and innovation.

By applying innovative technologies to the unique needs of customers, an organization can reinforce its brand image, demonstrate its commitment to customer service, differentiate itself from its competitors, and provide an impetus for the word-of-mouth marketing that all companies covet — all while cutting the costs of customer service.

Deliver a Richer Contact Center Experience

Integrating video and Web conferencing with contact center interactions represent additional opportunities to improve the customer experience. These technologies offer exciting possibilities to virtualize human interactions, increase learning by demonstrating potentially complex concepts, and deliver professionally developed messaging. On the cost side, companies benefit by eliminating time consuming and expensive face-to-face meetings.

Take Customer Service to the Next Level

With increased product commoditization, the urgency of taking customer service to a new level is increasing. For example, manufacturers can integrate customer service systems with their products so that if a product fails at a customer site, the system automatically alerts the contact center to immediately take appropriate corrective actions. Diagnostic information is also automatically passed on the contact center to help agents remotely diagnose and resolve a potential problem. Customers appreciate the faster resolution and businesses reduce the cost of customer service.

Do More to Empower Customers

Proactive contact is already being used by many companies to notify customers about events that have already happened. More customer-service focused organizations can also use proactive contact to help a customer respond to certain conditions before they happen, so that the customer has the option to maximize an opportunity or to minimize a negative impact. For instance, a customer could be notified when they are about to exceed their credit card limit or when their checking account balances are below a certain level. This helps to eliminate customer frustration and the expensive contact center interactions to deal with issues that could have been easily taken care of.

The Genesys Dynamic Contact Center

The ability to implement the six ways to make dollars from change is enabled by the Genesys Dynamic Contact Center. The Genesys Dynamic Contact Center is designed to transform customer service by automatically optimizing customer traffic, internal resources, and business outcomes. While contact centers can manually adjust to changing patterns, an advanced — or 'dynamic' — contact center has the know-how and technology to make automatic adjustments in real time. As contact centers become increasingly important channels, companies can convert themselves to dynamic contact centers to automatically optimize the customer experience, foster cross-sell and up-sell opportunities, and increase contact center representative productivity.

The Genesys Dynamic Contact Center
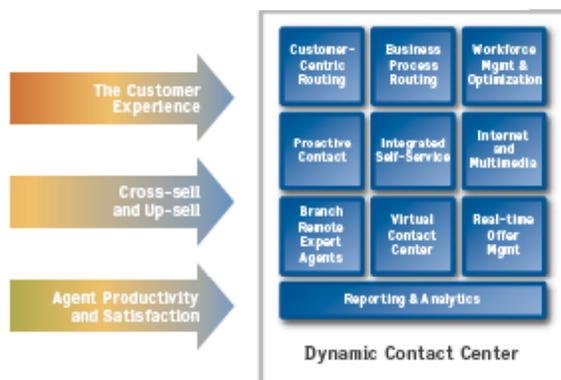
The Genesys Dynamic Contact Center provides integrated and orchestrated customer service capabilities to optimize the customer experience, foster cross-sell and up-sell opportunities, and increase agent productivity and satisfaction.

The Genesys Dynamic Contact Center provides key customer service capabilities that are integrated and orchestrated to fulfill these objectives:

- **Customer-Centric Routing** puts an end to customer frustration by ensuring each interaction is routed to the ideal resource with the right information — no matter where that resource is located in your organization. This helps you increase first-call resolution rates, meet variable call volumes with limited resources, increase cross-sell and up-sell rates, and improve agent satisfaction.

- **Business Process Routing** integrates phone, e-mail, and fax with back office business processes to improve agent productivity and customer service. Through this integration, contact center resources can be leveraged as part of workflow processes such as processing a claim, fax, work order, or other interaction. Ultimately, contact center and back-office processes are streamlined and agent utilization is improved.

- **Workforce Management and Optimization** are central to managing and optimizing contact center resources. They give you control over your operations by allowing you to forecast and schedule agents dynamically based on traffic volumes and resource availability across a multi-site, multi-channel environment.

- **Proactive Contact Management** provides a personalized customer interaction experience by allowing you to send relevant outbound notifications at any time. It also enables you to create, modify, run, and report on voice and multimedia outbound campaigns for proactive customer contact and sustained communications.

- **Integrated Self-Service** provides a holistic caller experience while reducing handling times and service delivery costs. These capabilities provide touch-tone or speech-enabled access for conversational exchange to identify and resolve routine customer requests and transfer more complex calls to the best-skilled agent.

- **Internet and Multimedia Integration** capabilities allow customers to interact with you the way they want to, when they want to — through voice, e-mail, Web chat, Instant Messaging, and even video calls.

- **Branch, Remote, and Expert Integration** allow you to extend your contact center to manage interactions based on business strategies and objectives. For example, higher-valued clients might be sent to a highly skilled resource located within a branch office, rather than being sent to the general call center.

- **The Virtual Contact Center**, enabled by Voice over IP (VoIP) technology, allows geographically dispersed contact center agents to operate as a single, winning team. Regardless of where the contact center agents are located, they can be called upon, as available, to ensure appropriate response levels and provide access to needed expertise.

- **Real-Time Offer Management** helps you capitalize on cross-sell and up-sell opportunities by providing the capabilities to recommend an offer to a customer in real time, based on a customer's background, history, and interaction type.

- **Reporting and Analytics** allow you to assess your contact center and customer service activity by providing real-time and historical views on the performance metrics of contact center objectives and how these metrics change over time.

Meeting the Challenge

As you've discovered by reading this paper, companies are in a race for their very survival, and they must invest in their contact centers to help recession-proof their business, and to compete and thrive in a volatile market.

Companies must avoid the temptation to return to the days when contact center operations were run as a so-called "cost center" and management's objective was simply to make sure that the contact center was run on a lean budget while meeting only minimal service level requirements.

In today's challenging environment, savvy companies are availing themselves of the six top technology solutions we've discussed. The selection and deployment sequence of these solutions is flexible, depending on your contact center requirements and based on things such as key business objectives, customer needs, contact center maturity, etc.

However, customer patience is unyielding and to endure in this turbulent economy you must get started as soon as possible. Implementing the solutions described in this paper can help your company realize the critical strategic goals of creating a great customer experience, safe-keeping valued customers from aggressive competitors, and maximizing operational efficiency.

Genesys Worldwide

Genesys, an Alcatel-Lucent company, is the world's leading provider of contact center and customer service management software — with more than 4,000 customers in 80 countries. Genesys software directs more than 100 million interactions every day, dynamically connecting customers with the right resources — self-service or assisted-service — to fulfill customer requests, optimize customer care goals and efficiently use agent resources. Genesys helps organizations drive contact center efficiency, stop customer frustration and accelerate business innovation.

For more information visit: www.genesyslab.com, or call +1 888 GENESYS or 1-650-466-1100.

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