

Customer Care Management

Just in time!!

Knowledge and skills for the customer support professional

▶ **Transforming the Contact Center**



Transforming the Contact Center

How do you take a customer care operation from nothing or very small and grow it to meet the needs of your business? How do you avoid throwaway investments?

Careful planning to capture customer care requirements, utilizing all of the capabilities of the technologies you have, and spending your strategic technology investments on the right technology **THE FIRST TIME**, are the critical success factors of a growing customer care organization.



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Customer Support for Emerging Companies Transforming the Contact Center

Emerging companies share common customer service profiles regardless of their industry. Customer service in the early stage of corporate development is either non-existent or is an unorganized hodge podge of resolution processes. Even well established companies venturing into new businesses, face the startup's unique customer service challenge. Unlike traditional brick and mortar businesses, where high levels of service are the price to "play the game", quality customer service can still provide a competitive advantage in new markets and many e-businesses.

Most companies are experiencing an increased demand for customer services, through multiple media sources and are finding it necessary to expand their operations in ways never thought of before. How do you take a customer care operation from nothing (or very small) and grow it to meet the needs of your

business? How do you avoid throwaway investments? How can you have a champagne customer care operation on a beer budget? Careful planning to capture customer care requirements, utilizing all of the features of the technology you have, and spending your strategic technology investments on the right technology THE FIRST TIME, are the hallmarks of a successful customer care organization.

In today's world, much of the service provided by a business is accomplished on a web page. At some point, however, all companies face the need to provide human based service through a contact center. Companies who are building their customer interaction center from scratch typically go through three distinct phases of development:

- Basic services
- Traditional call center services
- Enterprise customer service.

Customer Support Maturity Model

Capabilities

Basic					Traditional				Enterprise			
Reporting	Performance Management	Command & Control	Workforce Management	IVR Self Service	Quality Management	CTI Caller & Need Identification	Skills Based Routing	Knowledge Management	Intelligent Network Routing	Web Self Service		
										Multi-channel Contact Center		
										Proactive Service Management		
Tax Abatements/Incentives Site Selection					Space Configuration Optimization							

Through each of these phases, the "services" to be provided, the quantity and quality of "staff" to provide these services, the "technology" required to deliver these services, and the "processes" used to resolve customer issues develop and change. It is possible to have a roadmap to ensure investments, both dollar and human resources, at each phase can evolve to support the next phase. Additionally, at the speed of e-business, these investments must be implemented quickly, thus this roadmap can eliminate missteps that delay the deployment of customer services and smoothly move the operation to a point of excellence. Quickly moving through the first two phases enables the e-business to focus on those more advanced customer services required to distinguish a company in their niche.

Basic Services

The focus of provisioning basic customer services is on getting calls answered and resolving the issues. Operational excellence and "wow" technology cannot be addressed at this point without significantly delaying the introduction of the customer service function.

Services

During the early days of operating a basic customer service function, the type of calls expected can only be guessed at. These guesses are best made by focus groups trying to navigate the web site. Those readily identified services should be documented, resolutions built into the site itself if possible, and resolution procedures produced for customer service representatives. This is only half of the solution to identifying services to be provided by the center. Once the center opens, a method for agents to capture call types is a must. Soon after opening, frequent meetings with customer service representatives to flesh out additional service requirements are required. Many companies offer cash incentives for agents who identify high volume issues and

produce resolution procedures that are accepted for publishing in a Frequently Asked Questions (FAQ) tool. By the end of phase one, a solid list of service requests and resolution procedures should have been developed.

Staff

It is during this first phase of providing basic services that the technical skills of the personnel required to service callers are at the highest. Because the type of service request is not clearly defined, generalists with broad skills, fairly knowledgeable in the company's product or service are required. In addition to servicing callers, these people have very specific tasks to develop support tools for future reps, reducing the technical skills required by customer service staff in future phases. Because of the knowledge acquired by phase one customer service staff, these people develop a deep knowledge of the company's product or services and often become valuable employees, moving onto

Skills gained by working directly with customers develop these people into knowledge powerhouses, capable of moving into any area of the business.

other jobs within the organization. It is essential to capture and institutionalize the knowledge obtained by these people. As a company moves to more advanced levels of customer service, efforts should be made to retain them as subject matter experts and they should be made available to second generation customer service personnel. They will make excellent supervisory

personnel for the next phases of the customer care operation development.

Because the initial workload for a new customer service application is small, the initial group of service reps should split their time across multiple job functions to maintain their productivity. Staff with back office responsibility typically fills this need. These folks have a fairly deep understanding of the "behind the scenes" activity required to support the business. Skills gained by

working directly with customers develop these people into knowledge powerhouses, capable of moving into any area of the business.

Technology

With an understanding of the services this basic contact center will offer and who will handle the call, the focus then turns to technology questions. How is the call routed to the right group of people and what tools are needed to support them?

Many of the issues surrounding the opening of a basic services contact center focus around telephony issues. Although the center is small, there is a certain base level of telephony capability required of a telephone system. These are:

- Route calls directly to the customer service group, by-passing the receptionist
- Queue callers should all customer service representatives be busy
- Play specialized announcements/music while callers are on hold

Most companies look to their existing phone system for solutions. Unfortunately, most young companies have basic key/hybrid phone systems with limited capability to support even a basic contact center operation, much less a full function customer center of excellence. At best, the existing system may have basic Automatic Call Distribution (ACD) or Uniform Call Distribution (UCD) capability. Additionally, access to the Public Switched Telephone Network (PSTN - the telephone lines) must be configured to identify callers needing customer service. The PSTN access and the premise telephone system must work together to get callers to the customer service group with minimal intermediate steps such as a receptionist or automated attendant ("press 1 for sales, press 2 for service"). Obviously, if a toll free number (area code 800, 888 or 877) is to be used, this must be obtained and directed to the appropriate termination to accomplish

this routing. (side note: if utilizing a toll free number, you may find it difficult to obtain a suitable vanity number such as 1-800-FLOWERS. In this case, try for an easy dial, and easy to remember, number such as 1-800-8XX-YYYY. These easy dial numbers are especially appropriate if your business is international where not all phones have the alphabet on the dial buttons.) Coordinating these efforts can be difficult and time consuming because there are hundreds of options depending on the capability of your telephone system, and there are at least three vendors involved in setting this up (the premise telephone system, the local telephone company, and the long distance/800 service provider).

The telephony issues surrounding setting up a basic customer contact center could justify an entire white paper/article on its own. The key point to remember is to utilize the capabilities of your existing system. This phase may justify small investments (<\$10,000) to obtain the necessary capability. This issue can balloon and significant investments in existing telephone systems may be thrown away as the business migrates into more advanced support phases.

Processes

From an information systems point of view, many start up customer care operations begin with nothing more than #2 pencils, yellow pads and a folder of FAQs. Whether paper based or automated in some way, basic services information systems have to accomplish the following objectives in addition to any transaction requirement you may have:

- Call volume stroke count
- Call type stroke count
- FAQ capture system
- Escalation tracking

These basic statistics form the basis for sizing and justifying the next steps in developing the customer care operation. These are nothing more than traditional industrial engineering metrics. How many, of what kind?

They provide excellent operational intelligence and help senior management understand the true demand for customer services. They enable the anticipation of service requirements rather than simply reacting to them.

Many companies make moderate investments in existing customer contact systems to create the core call data processing capabilities. These systems can often be customized to provide basic Customer Relationship Management (CRM) capability. While a good place to start, the primary limitation of such systems is that they are trying to do CRM functions with contact management tools. As such, you are always developing processes around the limitations of the technology rather than building technology to support the required processes. Much like telephony investments, at this point it is important not to put too much dollar or human resource investments into such tools because in phase 2 it may be necessary to trash them and begin again.

Traditional Call Center Services

Phase II is characterized by the movement from "make do" systems to true Customer Relationship Management (CRM) tools and the impact the migration has on people and processes. Moving to this phase is where the most money is wasted if the effort is not planned appropriately and smart decisions are not made. Decisions here are the most complex and will set the stage for how easy or difficult it will be to move into the final "Enterprise" phase of customer care.

Unfortunately, many business managers are unaware of the interrelationships of the many parts required to build, even the most basic, contact center. Office managers are often called upon to make these decisions. Their skill set often focuses on personnel issues and basic office product technology

(copiers and faxes.) They typically do not have the skills necessary to drive the technology decisions required to successfully move into this phase. As such, decisions are commonly made on a technology by technology basis, without regard to how they will work together. As a result the office manager looks to vendors for help. This is a very dangerous approach. A vendor will look you square in the eye and say, "yes, my product is CTI compatible and has standard interfaces." While superficially true, this statement is not unlike saying it writes to an alpha numeric file (ASCII). Sure it is standard, sure everyone can read it. It doesn't mean that the information sent over the interface is complete or useful, or that other vendors you are working with have developed the file layouts necessary to read it. The customer care technology market place is market driven. As such, if you invest

Moving from Basic to Traditional Support Services is where the most money is wasted.

in a platform with a small installed base, you will continually face interoperability problems. The major customer care system vendors develop interfaces largely for other major players in the marketplace.

Services

If the advise above has been followed when developing basic services contact center, there is a wealth of information to build the services transaction set. Interaction volume and type stroke counts have identified opportunities to move simple service issues to the web page. After implementing these, continued volume and type stroke counts will identify web design problems and perhaps a need for IVR capability. Do a praeto analysis and understand the 20% of call types that make up 80% of interaction and create (either on paper on in a simple database) exhaustive FAQs and detailed solution/processes for those 20% of transactions. When entering

this phase of customer care, the service transaction set should be well understood and in a form to automate in a knowledge base as part of a basic CRM implementation.

Staff

As this basic service transaction set develops over time, staff requirements will change. At some point, robust FAQs will reduce the need for analytical and technical skills and increase the need for organizational skills.

Very often, a two tier staffing strategy, called "tier triage," develops. The original group of reps now serve as escalation points for the 20% of calls the new reps cannot handle. Initially, in this phase, the original reps serve both the lead/escalation rep and supervisor's role. This may be the case ongoing, or if the center grows, there may be enough volume to justify a full time escalation/technical agent group.

Call volume stroke counts will form the basis for staffing decisions. At this point, staff requirements are based on historical traffic data rather than guessed at. Entering this phase of customer care, the workforce management tool is most often in house developed spread sheets. Before moving onto the Enterprise phase, workforce management should be automated. Although it is still possible to spend a bundle on these packages, the workforce management market is maturing and very good, low cost workforce management packages are available. If there are more than ten reps and the center is open more than 8 hours a day, 5 days a week, go ahead and spend the money. It will pay back in spades with command and control information to as the center moves on to enhanced customer services. Workforce management tools will:

The skill requirements of the front line staff will change from analytical/technical skills to organizational and process skills

- Understand service demand patterns and arrival rates
- Capture traditional industrial engineering statistics such as call volume and average handle time (AHT)
- Provide call volume and AHT forecasting tools
- Capture and document the true work done in the center
- Manage shrinkage and lost time

It is during this phase that command and control processes are put into place. Center and agent performance metrics should be implemented and compensation should be, in part, tied to key performance metrics. Work force management, system and agent reporting, quality monitoring, service level goals, progressive discipline, training.

All of the traditional call center command and control processes should be deployed over the span of this phase and should be working reasonably well before investing serious dollars to reach the "Enterprise" phase. Simply put, you get a big bang for the buck in this phase. You can have the greatest CRM package in the world and it won't do a bit of good if there are no agents to handle the call or if the agents that are available are rude or poorly trained. If there is no way of finding this out, via command and control methods, the CRM exercise will surely fail.

Technology & Processes

One of the most difficult decisions to be made in this phase of customer care is how to invest in technology. Specifically, there are big gaps in both the telephony and CRM markets between mid-market and top tier vendors. These decisions require a cold, hard, pull no punches evaluation of your business prospects. Investments in mid-tier technology will push you quite a ways into the "Enterprise" phase of customer care; BUT!!! you will have limits on what you can do. Growth will be more difficult

and costly. Enhanced services will be more difficult and costly, or in some cases impossible to develop and deploy. Examples abound:

- Workforce management packages collect data via telephone system generated reports. Many mid-market telephone switches are not supported.
- Many mid-market CRM packages only support Microsoft NT environments. You're out of luck if you have (or acquire) any Unix systems.
- It is not uncommon for mid-market telephone systems to grow by simply tying multiple systems together, resulting in limitations on how big a customer care group can grow because of congestion (busy signals) on the lines tying the systems together.
- There are fewer off the shelf, shrink wrapped applications for both mid-market telephone and CRM systems. Those that do exist are less robust (telephony CTI applications and industry specific CRM packages for example)
- There are fewer people skilled in mid-market systems. As such, custom application development is more difficult and the resulting application has a very low market value because the particular technology combination is not widely utilized.

The list goes on and on. Most fearful is the old adage, "you don't know what you don't know". The frequency of surprises (especially interoperability) is higher in these mid-market systems than with top tier systems.

So, does this mean you have to spend millions on top tier technology? Not necessarily. If your business plan is modest, have very few customers, have a stable, known technology future; mid-market systems are great. There is also the throw away approach. Invest in mid-tier systems and focus your efforts into process development

rather than technology development. Processes are portable from one platform to another. When corporate funds allow or business environments force the migration to a top tier system, throw out all the technology and migrate the processes to the new platform. The key to the throw away approach is to do it with your eyes wide open. Make senior management fully aware that there will be a significant investment in the future.

A recent development in the CRM marketplace is the hosted CRM solution. Salesforce.com and WebOffice are examples of hosted tools that address specific business requirements. Hosted CRM has the software hosted on hardware at a remote vendor's facility. Access to the tools is through a web browser. Most vendors allow extensive customization. Hosted CRM can provide robust capabilities on an expense basis and allow development of processes in advance of acquiring a top tier system.

Of course, there is the "all-out" approach. In a perfect world, the funds and resources will be available to go to an all top tier environment with all of the bells, whistles and gadgets. The most common situation emerging companies find themselves in, however, is the desire to go top tier with a mid tier budget. The trick is scalability and scope.

Technology

The watchword for telephone systems is scalability. How does a system grow? Look for a vendor that allows you to grow without replacing systems. Better yet, look for a

Scalability and interoperability are key criterion in selecting technology

vendor who uses the same card set in all sizes of systems. This means that cards purchased for a small system are reusable in larger systems. Make sure your system grows along an expandable backplane. This means that additional cards plug into the same stem bus as existing cards rather than

tying multiple systems together. Don't get wrapped up in features. The trend is to move most features and services onto the CRM platform. Thus, reporting, workstate management, call state management all occurs on the CRM system and the telephone system is simply a high speed switching device. This won't happen on day one, but will over time.

After scalability, the next, and most difficult part of system evaluation is interoperability. Make sure you understand in detail the CTI interface of the switch. A good example of this is one system vendor cannot send agent workstate across their CTI link. This is imperative to developing a comprehensive CRM tool. Ask to speak with the vendor's CTI guru and get as much documentation as possible. After eliminating vendors based on scalability, the next cut should be based on how well interoperability issues are understood. If a vendor cannot find the resources to explain it to during the high profit sales cycle, they certainly won't during the low profit service and maintenance phase of the relationship.

Price. Now that's the rub, isn't it. Expect to pay a 25% to 40% premium over mid-market telephone systems. This is where scope comes into play. When trying to obtain top tier systems on a limited budget, start small. Make do with standard features of the system. Just like the throw away scenario, focus on processes. Unlike a throw away scenario, with a top tier switch, expanding and enhancing will not break the budget.

Processes

When looking at CRM systems, it is useful to understand what they are and what they do. A Customer Relationship Management, CRM, package primarily does four things:

1. Provides a single, unified, intuitive agent interface

2. Process management (huge, more on this later)
3. Middleware - multiple database access through a single GUI interface
4. Unified customer view - see the entire customer relationship rather than an account view.

The best metaphor is the classic spreadsheet application. A CRM package is like a spreadsheet package in that when you turn either one on, they really don't do anything by themselves. Like a spreadsheet where formulas, text and tables are entered to create useful tools, a CRM package allows the user to enter processes, interfaces and databases to create useful tools. Like a spreadsheet where pre-packaged pages are available to do engineering or accounting, with a CRM package, modules for help desk, field sales or customer service are available. In both cases, these systems are largely what you make of them. This understanding helps frame a scalable approach to CRM package deployment.

Scope creep is the single largest factor in CRM project failure. It is not possible to implement everything in phase one. Emerging companies have the luxury of setting up processes anyway they want to. Thus, it is a logical first step to implement standard packages (help desk for example) with minimal

modifications. Companies with processes in place may find that the CRM vendor has developed its package based on best practices. It pays to look at the standard implementation and see if it makes sense for you. In any case, in the traditional contact center phase of customer care development, the watchwords are "Keep it Simple Stupid!" Remember, you are not aiming for WOW yet. Build basic infrastructure, lay a solid process and technological foundation upon which a customer service mansion can be built with few complications and remarkable speed.

Expect to pay a 25% to 40% premium for a top tier telephone system over a mid-level system

The same recommendation goes for CRM packages as for telephone systems. Keep the scope of the initial implementation small, with as few modifications to the basic package as possible. This will facilitate getting into a top tier CRM package without breaking the budget. When looking for a CRM package, look for one where processes can be modified with little or no help from the vendor or system integrator. This is not to say that access to a new database or creating an entirely new process can be done in house, but changing a credit code criterion or asking for an activity validation without spending tens of thousands of dollars is a reasonable requirement.

Enterprise Customer Care

Services

The deployment of customer relationship management is really a corporate culture, a process that never ends. With this in mind, a successful CRM implementation to demonstrate proof of concept and the capability of the implementation team is paramount to any other objective.

The goal of Enterprise Customer Care is nothing less than "perfect customer knowledge". This is gained through process integration and CRM is the tool that facilitates it. Understand that CRM package deployment is a never ending process. CRM packages can touch every aspect of the business. Every process can be tracked and managed. CRM is not just a call center or field sales tool. The magic of CRM is that it can manage anywhere in the business and can force communication across the organization. The trick is to identify those processes with high customer impact and that distinguishes you from your competitor. Now you can go for WOW!

Take an example of a standard implementation of a CRM contact center module. When an order is taken, the initial implementation

may result in that order being entered into the order entry system and that's where it ends. But think about it! A CRM package is a blank page, upon which we can design anything we want. Why not ask the shipping department to track the status of the order so when a customer calls or inquires on the web page, the agent (human or computer) has "perfect knowledge"? Why not, like a major mail order computer manufacturer, tie into the shipping company's system and provide "perfect knowledge" after the order leaves the building? Why not update a predictive dialing or e-mail list to notify customers of delivery dates? Why not keep records of purchases and tie marketing systems into the system and tightly target marketing campaigns?

The fact that CRM systems make it easy (relatively) to increase and perfect knowledge about the customer, makes it all the more imperative that companies not stop their CRM deployment; ever! Don't look back, your competitors may be catching up!

Staff

The whole "perfect knowledge" and process management aspect has a significant impact on staffing, both who is hired and how they are organized. While using a CRM tool, knowledge is institutionalized and processes are formalized and documented. Thus, "just in time" agent training is possible and the center can be staffed with true generalists. The classic urban legend associated with this is commercial loans in a large national bank. Before CRM institutionalized knowledge, agents had to have specialized training to process a more complex commercial loan. Thus the bank had two loan agent groups, one for consumer and one for commercial. With their CRM package, institutionalized knowledge, formal and documented processes, the bank was able to create a single loan group, smaller than the two individual groups before. Agents follow a

The goal of Enterprise Customer Care is nothing less than "Perfect Customer Knowledge"

work flow and contextually appropriate information is provided as necessary as they work through the process. While a few specialists (now more appropriately called lead agents) may be necessary, the number of calls escalated/transferred becomes smaller as CRM deployment infiltrates more and more aspects of the business.

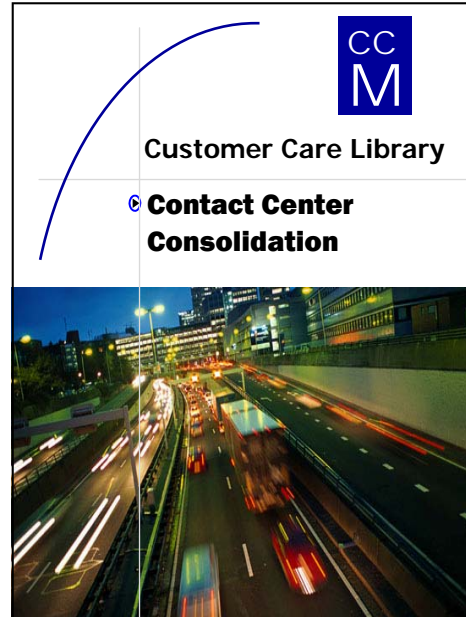
Technology & Processes

There is not much more to say regarding technology and processes in this phase of customer care provisioning. This was an article, primarily, on how to get to this point with minimal detours and mis-spent expenditures. At this point, both technology and processes center around collecting this perfect information and delivering it in a timely manner to human or computer agents to support customers, often before they need support. If you have followed the advice set herein, you already have scalable technology. You understand that customer relationship management is an ongoing exercise touching all aspects of the corporation. The direction here is keep on going.

Conclusion

A common theme throughout the development of customer care is to keep each phase small and accomplishable in a timely manner. Success breeds success. Demonstrate to senior management a clear vision for customer support and have a plan to get there. Commit to making the maximum use of what is available and build a sound infrastructure before making significant investments. Establish a trend of on time and on budget customer care projects. Wise investments early on will smooth the way for enhanced customer services.

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Low Risk

One of the surest ways for a contact center to achieve improvements in both service quality and cost performance is to take advantage of economies of scale. To gain these efficiencies, fewer, larger agent groups are often better than having many small agent groups; operating larger centers is often better than operating many small centers.

While you are using a CRM tool to institutionalize knowledge, you are also formalizing and documenting processes. Thus, "just in time" agent training is possible and your center can be staffed with true generalists.

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