

▶ Sweating The Small Stuff

How a New Approach to Contact Automation
is Driving New Savings in the Contact Center

A White Paper Analysis



+ In all too many corporate and government agency environments, there is a belief that once an automated voice and contact automation solution is installed, the organization has done everything needed to ensure efficient, cost-effective customer service.



BUT THAT IS SIMPLY NOT THE CASE

In fact, unless a voice portal and contact automation solutions are monitored, evaluated and improved on a constant basis, the inefficiencies of a poorly-tuned system can and will become a significant source of cost escalations, less-than-optimal customer service and lost opportunity. To ensure those vital customer interactions are handled in the most consistent, appropriate and cost effective way possible, a voice response system - as well as the surrounding Contact Center environment - should be measured, analyzed and adjusted on a continual basis.

The good news is: organizations can now leverage a more aggressive approach to Continuous Improvement. A robust Continuous Improvement Methodology (CIM) enables organizations to spot developing trends and emerging problems, and react with agility. By effectively “sweating the small stuff”, this approach can revolutionize customer contact automation.

Evolution in Contact Automation

SWEATING THE SMALL STUFF IS ONE IN A SERIES OF FOUR WHITE PAPER INSIGHTS. THIS SERIES OF PAPERS OFFERS OUR VIEWS ON A NEW GENERATION OF CONTACT AUTOMATION, AND PROVIDES BEST PRACTICES GUIDANCE ON HOW ORGANIZATIONS CAN IMPROVE THE EFFICIENCY AND PROFITABILITY OF THEIR CUSTOMER SERVICE OPERATIONS.

WHITE PAPER SERIES:

- [1]** *Sweating the Small Stuff: A Continuous Improvement Methodology*
We address a new methodology that offers clear incentives to identify, monitor and implement improvements to client voice portal and Contact Center systems on a continuous basis. This paper discusses the Closed Loop approach for continuous improvement, discusses key automation performance indicators, and gives real-world examples of the benefits of a Continuous Improvement Methodology when applied to the entire Contact Center environment
- [2]** *Wringing Out the Savings: Optimizing Contact Automation*
We'll compare, contrast and discuss the differences between Customer Premise Equipment (CPE), Managed Service, and Hosted models for Contact Center technology deployments, and examine how an increased reliance on automation for cost savings and customer satisfaction is revealing the benefits of a new 'On-Demand' business model.
- [3]** *Using Actionable Analytics: Turning data into real-world options*
We'll address the new capabilities and tools available to support the management of the entire Contact Center environment. This paper discusses how to manage the large volumes of data generated by a contact automation environment, how to transform that data into insights, and how to use those insights to generate actionable recommendations and solid business results.
- [4]** *Building the Foundation: Crucial platform and technology decisions*
Optimized automation is impossible unless it rests on a solid architectural foundation. In this fourth and final paper in the New Generation of Contact Automation series, we address Best Practices in the development, deployment, and management of Contact Center technology.

[Getting the Most From Contact Center Automation]

Companies and government agencies can reap measurable benefits by applying a methodology of continuous improvement to their voice portal and Contact Center operations. A robust Continuous Improvement Methodology (CIM) constantly seeks ways to improve call flows, to tighten interactions between customers and the voice portal, and to improve the percentage of automation by reducing unnecessary opt-outs.

“Anyone subscribing to the ‘don’t sweat the small stuff’ theory does not work in contact automation, or if so, they don’t do it well. The ‘next big things’ for the Contact Center over the last decade have proven useful, for example CTI, speech recognition, open standards - the list goes on and on. But often the forgotten truth is contact automation is all about cost savings. Customers typically prefer live assistance, but it’s just not financially feasible. Getting customers to choose automation technology requires a rigorous, never-ending endeavor. It requires continually sweating the small stuff, and squeezing out better performance and better service that leads to NEW savings for the Contact Center. That requires stringent processes and a culture of continuous improvement, including economic incentives. Contact Centers have to have that model in place, or find a business partner who does.”

- Mark Whittle
Chief Operating Officer Contact Solutions

Forward-looking organizations can leverage the CIM to deliver a higher level of customer service, to improve customer satisfaction, to control Contact Center costs, and to drive both revenue and bottom-line profitability.

When implemented by experienced professionals, a continuous improvement program can improve the performance of voice portal applications, reduce the length of voice calls, and ensure that customers receive the information they seek, quickly and reliably.

A well-crafted Continuous Improvement Methodology allows organizations to spot developing trends or emerging problems, and to adjust their Contact Center activities to improve service outcomes, customer satisfaction and overall performance. In many customer service

environments, even a relatively small improvement in contact automation can yield significant savings.

Unfortunately, most Professional Services arrangements are not structured to encourage continuous improvement in the operation of voice portals or other Contact Center systems. Once they have developed and implemented an application, most Professional Services teams revert to an hourly billing arrangement, and to maintain their utilization, those groups must move on to the next customer and the next installation.

So the applications typically operate with little or no attention from a program of Continuous Improvement. **While someone may be monitoring the telephony and the data, under most traditional agreements, there is no real incentive for the development and delivery teams to find and execute improvements on a continuous basis.** Over time, this lack of incentive leads to waste, inefficiency and lost opportunity in the voice portal and in the broader Contact Center environment.

[Incentivizing Optimization]

To fully realize the promise of continuous improvement, organizations need a new approach that creates an economic incentive for Professional Service teams to seek ongoing enhancements in voice portal and Contact Center performance. The key to this approach is a compensation model that pays the development and delivery teams based directly on documented and approved continuous improvement results.

This innovative approach establishes Continuous Improvement as a Key Performance Indicator (KPI) for the Professional Services team. In fact, it makes CIM the KPI for all team members, and those results are tracked, measured and reported to all relevant managers and executives. **By formulating compensation specifically to encourage ongoing improvements, this model ingrains a CIM into the culture of the Professional Services team.**

As a result, the sole focus of the CIM team members is on analyzing Contact Center applications, making prioritized recommendations, and implementing solutions designed to reduce costs, improve performance and drive greater customer satisfaction.

[Closed-Loop CIM]

For best results, continuous improvement should be implemented as part of an on-going, closed-loop system. Figure 1 illustrates the four phases of a reliable CIM approach:

[Phase 1] Identify Recommendations | A continuous improvement project team should begin by creating baseline metrics to measure and analyze the performance of voice automation and other Contact Center systems. This phase typically includes a program analysis and an evaluation of the basic business model and a rigorous contact center diagnostic study. Based on those evaluations, the team can then make recommendations designed to increase automation, to reduce costs and to improve customer satisfaction. As shown in Figure 2, these recommendations typically focus on three key areas of improvement.

[Phase 2] Implementation | Next, a team must work to overcome the natural barriers to the successful implementation of CIM recommendations. Those barriers may include challenging host integrations, cost, organization-al resistance to change, or the need to build executive buy-in for those needed adjustments.

Once these barriers have been overcome, CIM recommendations can be implemented as shown in Figure 1. Leveraging an established and standardized Software Delivery Lifecycle Process (SDLP), the team can then implement those recommendations by updating call flows, integrating applications and making other required changes.

[Phase 3] Verification | Any good continuous improvement system must be implemented in an on-going, closed-loop environment. After deployment of recommended changes, all resulting impacts must be tracked, quantified and documented. Post-change results are then compared to pre-change baseline metrics.

The team can then analyze the impact of increased voice portal automation, cost savings, changes in the level of customer satisfaction and other KPI results.

[Phase 4] Communication | In the final phase, measured results should be shared with all relevant constituencies. By communicating relevant outcomes to executive sponsors, and by obtaining sign-off on those results, organizations can clearly demonstrate the positive bottom-line achievements of a continuous improvement effort.

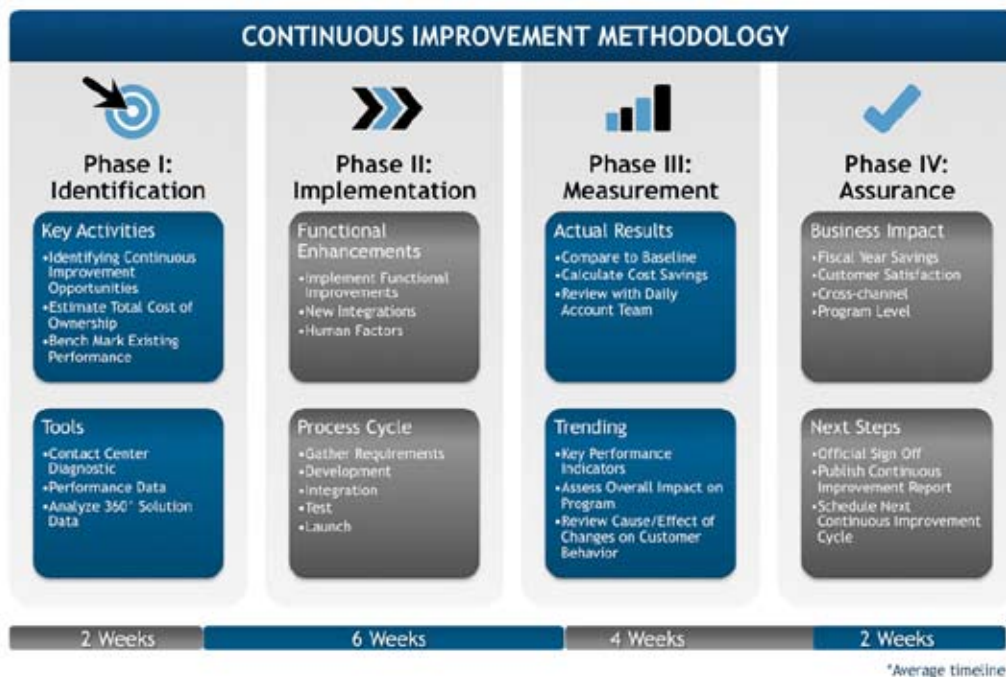


Figure 1 - The Four Phases of Continuous Improvement Methodology

[Measuring Continuous Improvement]

A vigorous Continuous Improvement Methodology can be formulated to benchmark, monitor and improve a wide range of voice portal and Contact Center variables. Many organizations seek to monitor and improve:

- **Automation Rate** - By increasing the usage of self-service systems, the CIM helps decrease both labor and infrastructure costs in the Contact Center environment
- **Customer Experience** - the CIM can enhance customer satisfaction, allowing organizations to keep customers who tend to utilize lower-cost care channels
- **Telecom Efficiencies** - By ensuring optimum telecom capacity to the portal and Contact Center, a robust CIM allows customers to reach the organization, and allows the organization to deliver responsive and satisfying service
- **Host Performance** - Better integration gets customers the data they need quickly and reliably
- **Menu Optimization** - Streamlined and intuitive menus reduces call times and enhances customer satisfaction by delivering the right information more quickly



Figure 2 – Goals of a Continuous Improvement Methodology

[Broader Benefits of a Continuous Improvement Methodology]

Moving Beyond the Voice Portal

Of course, voice portal systems are just one important element in a successful customer relationship environment. To fully realize the benefits of continual improvement, the principles described here must also be applied to the full spectrum of an organization's customer contact activities. **Experienced CIM specialists understand that by closely scrutinizing portal performance they can often find opportunities to improve many non-voice response elements of Contact Center operations.**

Stronger links between internal data systems, for example, can improve access to customer information and ensure that customers receive faster and more helpful responses. A good CIM evaluates telecom capacity to both the voice portal and the Contact Center, and constantly monitors that key variable to guarantee a seamless customer service experience.

By better integrating key data and telephony systems, organizations can reduce the total volume of inbound and outbound calls while improving the overall level of customer service. A rigorous approach to continuous improvement should also address voice portal navigation, host integration, and the collection and analysis of a consistent set of KPI statistics across the entire Contact Center operation.

The best continuous improvement efforts are tied to a truly comprehensive Contact Center platform, one that incorporates both inbound and outbound capabilities and that is capable of handling a wide range of interactions, **from traditional telephony calls to SMS, text, fax, email and web-based communications.** A CIM should be applied to the full range of customer contact applications, from self-service transactions and automated surveys, to HR and benefits management, locator services, outreach campaigns and other activities.

Intelligence and Reporting

A continuous improvement program should also be formulated to produce a reliable flow of Business Intelligence (BI). By leveraging today's advanced monitoring and management tools, organizations can gain valuable insights on the day-to-day operations of their Contact Centers. A good BI system should provide macro-level information on overall customer contact performance,

historical and trend data on the customer experience, and more granular views of specific events or activities.

By fully leveraging an organizations existing voice automation infrastructure, an aggressive CIM can extend the useful life of current systems while reducing the Total Cost of Ownership in the contact automation environment.

An experienced professional services team can then utilize the output of a robust BI system to make the adjustments needed to enhance the portal and other Contact Center systems to increase automation, enhance service performance and meet other business objectives.

By linking their continuous improvement efforts to a robust reporting system, organizations can better see and understand the performance of their CRM activities. Managers can now use a Web Services gateway to access up-to-date performance metrics, call disposition information and user-customized reporting from a standard Web browser. By utilizing an extensible engine, third-party Contact Center data can also be integrated into management reports.

[Professional Service Considerations]

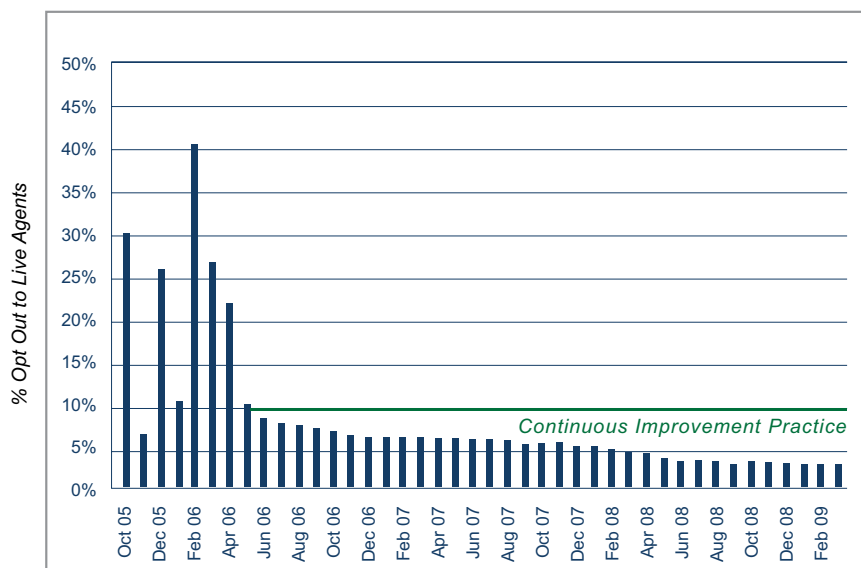
Continuous improvement in a Contact Center setting is an exacting science, and requires the skills and experience of a seasoned professional services organization. So what should Contact Center managers look for in a professional services group?

To begin with, a good professional services group will spend the time needed to understand the specific requirements of each Contact Center, and must have the ability to design and implement a solution that is custom-tailored to meet those needs.

Also, when the professional services organization is a part of the company delivering the overall Contact Center solution, the financial incentives to seek continuous improvement will radiate to yield broader, integrated benefits for the larger customer service environment. A capable professional services organization should offer:

- The design, tuning and usability testing of responsive, customer-oriented Voice User Interfaces (VUI).
- The development of voice portal applications designed to give users a complete and satisfactory automated call experience.
- Comprehensive Integration Services to ensure that hosted and client-side components are available for voice applications.
- Advanced diagnostic capabilities capable of monitoring and evaluating the performance of all Contact Center activities
- Solution tuning to continuously adjust the voice portal and other contact solutions to support improved customer service and satisfaction. Tuning should include full call recording and the use of statistical analysis of all aspects of Contact Center performance and the user experience
- Field-proven security and compliance protections, for example PCI and SAS 70 Type II
- Business and ROI analysis for voice and other Contact Center systems
- 24x7 platform management
- Professional project management to ensure optimum results

Debit Card Transactions



Transfers to agents were cut in half after the implementation of new IVR services in 2006. In most environments, this is when the professional services team moves on, leaving a lot of savings on the table. With a proven Continuous Improvement Methodology, on-going analysis and improvements lead to new, incremental savings that add up over time. For example, after the initial deployment in April 2006, transfer rates were cut in half yet again, creating long-term savings and further improving the automated experience for end-users.

[Measuring Real Benefits from Continuous Improvement]

Corporations, government agencies and virtually any other customer-driven organization can benefit from the application of a Continuous Improvement Methodology, including:

- Up to a 40% increase in call volume, due primarily to leveraging the CIM to correctly size telecom capacity for both the voice portal & the larger Contact Center environment
- A typical first-year CIM-related reduction in contact transfers to live agents of from 5 to 10% - **an improvement over and above initial optimization gains realized by a more aggressive Professional Services approach**
- Measurable improvements in call flow, menu structure and host transaction performance
- Continuous closed-loop Contact Center monitoring and integration
- Enhanced service performance and customer satisfaction, allowing organizations to retain customers who are more likely to use lower-cost self-service options
- By maximizing self-service utilization, organizations can further reduce labor and infrastructure costs
- All other benefits of the On-Demand Model, including no capital investment requirements, pay-as-you-go transactional savings, and economic access to the industry's most advanced automation solutions

[Conclusion]

As demonstrated in detail elsewhere in this series of White Paper insights, the On-Demand model of Contact Center automation delivers measurable benefits to corporations and government agencies. But to realize the performance and economic benefits of the On-Demand approach, organizations need a new & more reliable approach to continuous improvement.

The good news is: a new and field-proven approach to continuous improvement has now emerged. The Continuous Improvement Methodology developed and applied by Contact Solutions is designed specifically to address the needs of customer-driven organizations. **Our CIM approach provides a built-in incentive for Professional Services teams to focus exclusively on finding and implementing improvements that reduce Contact Center costs, improve productivity, and enhance customer service and satisfaction.** By motivating Professional Services teams to “sweat the small stuff”, this approach leverages the energy of a robust CIM to measurably enhance Contact Center performance.

As shown in this paper, this new approach to Continuous Improvement is delivering substantial benefits for customer-oriented companies and agencies the world over. Contact Center managers can now deploy this innovative CIM to realize incremental gains in automation, and to translate those small changes into big improvement in operating cost, efficiency and performance.

“The Continuous Improvement Methodology ensures that everything that impacts the caller experience is routinely analyzed and tweaked so that automation rates, and thereby our customer's savings rates, continue to rise. A rigorous, repeatable process discovers improvements that can easily be overlooked. For example, as our traffic has grown to over one billion calls, the number of backend host transactions has more than doubled in two years. During that dramatic growth, host failure rates for our customers actually continued to decline to an average of less than 1%. This focus and execution, driven by a rigorous improvement methodology, is what ensures the highest customer satisfaction levels and drives new, incremental savings for our customers.”

-Justin Lemrow, *Director of Continuous Improvement, Contact Solutions*

About Contact Solutions

Contact Solutions delivers on-demand contact automation services. The company's core business is to ensure its clients' self-service automation rates continue to increase well after the initial deployment. With its game-changing Continuous Improvement Methodology and world-class hosting facilities, Contact Solutions is incentivized to continually find new contact center savings for their clients. By continuously identifying, implementing, and monitoring new contact automation opportunities, Contact Solutions consistently raises the bar on customer savings by reducing live-agent costs and stepping up the end-user experience. For more information, visit www.contactsolutions.com, [Twitter twitter.com/contactguru](https://twitter.com/contactguru) or follow us on Facebook.

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