What's Driving the Future Direction of Contact Centers:
What you Need to Know

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SHEDDING LIGHT ON WHAT MATTERS MOST

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Introduction

Undeniable influences are impacting contact centers around the world and there is no doubt that we are undergoing an operational and cultural evolution. These changes make it imperative that centers find innovative ways to engage and develop their employees; master multiple customer interaction channels; elevate the customer experience and produce better bottom line results.

This white paper examines seven critical drivers that are aligning themselves and together will shape the future direction of contact centers.

Drivers

#1 The Contact Center Value Evolution

Those of you who have been involved with contact centers for some time can attest to the fact that we have seen some tremendous changes in the way that they operate. These changes reflect an overall evolution in the perceived value of the contact center, and will continue to drive its future direction as the value equation is refined.

Over the past decade customers have gained access to an unprecedented volume of information and new ways to communicate. Power has shifted to the customer, whose expectations for high quality service and value has risen dramatically. Companies are judged by their response to this power shift, and customers feel free to publish their opinions to the world. In this brave new world, the contact center has emerged as a critical component in brand building, customer engagement and indeed company success.

On top of that dramatic shift and partly because of it, over the past few years many centers have made the move from pure service to a hybrid sales and service model. Because companies can no longer place outbound calls to anyone they choose, thanks to the "Do not call" legislation, agents are asked to sell when customers call in. These centers transform from cost centers to profit centers as they realize the great benefits of up/cross selling.

To adequately interact with customers, contact centers have metamorphosed into multi-channel contact centers adding email, Web chat, self service and now social media to the original customer interaction channel, the telephone. Each of these channels requires its own people, process and technology to properly serve its customers.

The contact center workforce has changed as well. It used to be all about getting "bums to fill seats". It didn't matter how experienced or good agents were; they were going to burn out and be replaced within a year. Fast forward 10 years and you now find an educated and experienced workforce staffing centers. This brings new challenges for contact center managers as they must find ways to engage motivate and retain their talented employees.

New measurement criteria have been introduced into the contact center. Success used to be measured by the numbers or quantity of calls we could push through a center. So-called star agents were those with the highest average calls per hour (ACH) and those with the lowest average handle time (AHT). Centers now realize that it can't just be

about *"how many interactions".* It must also be about *"what happens on those interactions"* or the customer experience. Front-line customer service representatives must now do much more then just take orders…we've asked them to be relationship makers.

Finally, as its perceived value has improved, the physical contact center has improved as well. It wasn't long ago that contact centers could be found in the worst space in the building with terrible lighting and ventilation. This is also where you could find all of the company's broken furniture being used, of course, by the call center agents. I am now pleased to say that broken equipment is being replaced with ergonomic keyboards, noise cancelling headsets and properly fitted chairs. Investments are being made on new contact center technologies for call routing, call handling, outbound dialing and other efficiencies. Call centers have moved out of the basement and in many cases are placed in the hub or center of the organizations. Why the change? Because contact centers are gaining recognition for their increasing value.

#2 The Cultural Evolution

Today's contact centers can potentially employ, and serve, four unique generations.

Generation	Birth Years
Silent Generation of Workers	1925-1945
Baby Boomers	1946-1964
Generation X	1965-1979
The Millennials	1980-1999

The more you understand and modify your management style to each generation, the more effective you will be in engaging and getting the most out of your workforce. Similarly, recognizing the differences in your customer base and addressing it through various contact options and interaction styles can improve both customer satisfaction and conversion rate.

- **The Silent Generation** workers have 30-40 years of employment history and bring a ton of skills and knowledge. The problem is that their experience may not be recognized or appreciated by the younger executives who manage them. In addition, this generation questions change the most and will resist new ideas, concepts and technology, preferring to work *the way it has always been done around here*. Customers in the silent generation may prefer to talk to an agent rather than an automated system, and may be prone to "zero out".

- **Baby boomers** make up a bulk of contact center management and are used to and comfortable with a hierarchical style of management. They tend to be very loyal in nature but must find ways to adjust their command and control style of management with the two newest generations who feel smothered by this type of leadership. Baby boomers also make up the bulk of the customers, and are likely to want some additional interaction styles such as email and chat.

- **Generation Xers** are extremely self-focused, can lack allegiance with an employer and put family and friends first. It is important that Gen-Xers are given clear career paths and understand how their job impacts the customers they are servicing. As customers, Gen Xers want instant service provided through their choice of interaction style.

- **The Millennials** are a unique group of individuals who have grown up with digital devices and multiple forms of interaction. Much of their conversations are via social media tools so they value partnering and collaboration. They are not comfortable with hierarchies and stringent rules. Expect millennial customers to push the envelop on everything you do.

A skills-based approach can help optimize interactions for both the agent and the customer. Let customers choose how they want to interact and then route to the appropriate agent based on who the customer is, what they need and how they want to interact. Don't expect that all agents can handle all types of interactions and don't force customers to interact in a way that is uncomfortable to them.

#3 The Technology Evolution

A tremendous amount of innovation has taken place in technologies that affect and support the contact center. Hardly a day goes by, it seems, without a new gadget or technological marvel. Those that gain any foothold begin to affect the contact center by raising expectations and changing interaction styles and channels. For example, instant messaging created the expectation of instant answers—any kind of wait like that expected with email was no longer acceptable. In addition, chat brought with it a whole new lexicon of symbols and abbreviations that had to be learned.

At the same time contact center technologies have evolved to handle new interactions, support virtual workforces and increase efficiency. While this moved the contact center forward, it created new problems for those companies that wanted to use many of the technologies in multiple environments. Here are some of the technologies that support contact centers:

- ACD/multimedia queuing
- Agent scoring
- Customer Satisfaction Surveys
- eService automation
- IVR & self service automation
- Knowledge management
- Multimedia recording
- Multi-site routing

- Outbound dialing
- PBX/IP-PBX
- Quality monitoring & reporting
- Remote agent capabilities
- Screen recording
- Speech Recognition
- Unified communications & voice mail
- Workforce management (WFM)

The latest generation of contact center technologies now work together, making things much easier for everyone. This reduces the complexity for the contact center manager and allows faster deployment of new technologies as they are needed. A growing contact center can essentially pick the functions needed initially and then turn on

additional functions as they are needed over time. Using a single platform for all functionality enables the contact center manager to focus on using the technology rather than integrating it. A system integration partner can help further ease the implementation and optimization burden.

#4 Web 2.0 (Social Media)

What exactly is Web 2.0 you ask? First let's review Web 1.0. It was one-way communication where companies designed Websites to convey things to their customers. Web 2.0 is two-way conversation. It is also called Social Media. Social Media uses "mass collaboration" tools such as Facebook, Twitter, blogs and message boards. Web2.0 is now being recognized as the newest customer contact channel but who should own this channel is still being decided. Some companies such as Southwest Airlines have decided it belongs within the marketing department. Others such as Zappos have graciously welcomed it to the contact center.

Once you decide who is going to take care of this new and powerful customer contact channel, it is time to prepare for how you will locate, monitor, evaluate, track and take action on conversations.

- Start by finding out where conversations are taking place and start listening
- Provide social media training and access to employees
- Develop guidelines for monitoring and responding to conversations
- Devise a method for tracking and trending customer feedback
- Develop a system for implementing performance improvement

No matter who owns it, one thing is for sure. It cannot be ignored. Rewards of managing the social media channel include communicating to customers in the channel of their choice; ability to spot trends and take action; practicing customer engagement; making it personal; identifying service, product and process improvements; Improving customer satisfaction and loyalty and empowering your employees to take ownership.

#5 Employee Engagement

Employees are truly engaged when they have a deep and broad connection with their company and a voluntary and enthusiastic commitment to its success. Full engagement exists when every employee works at the top of his or her game, going the productive extra mile without thinking twice.

So how engaged are our workforces today?

Studies performed by authors of "Closing the Engagement Gap", Julie Gebauer and Don Lowman found that:
- *"Four out of every five workers worldwide are not delivering their full potential to help their organizations succeed."*

- *"30% of workers are disenchanted while 41% of workers are enrolled but not engaged."*[1]

Just how important it is to engage our employees is being proven study after study. Perhaps one of the most eye opening were results from the Gallup organization who found that companies who engaged their employees:

- *"Are 50% more likely to have lower turnover"*
- *"Achieve 33% greater profitability"*
- *"Have 56% higher customer loyalty ratings"*[2]

Exactly how do you engage your employees? You start by understanding their three categories of needs.

- *Physical needs* are met by providing your employees with an ergonomic, clean and safe work environment.
- *Mental needs* are met by providing enough training and coaching so that your employees can carry out their jobs with competence and confidence.
- *Emotional needs* are met through open communication and recognition for a job well done.

Next you need to understand the three levels that engagement or connections occur on.

- *The Rational* is related to the head or thinking. It's about how well employees understand their roles and responsibilities.
- *The Emotional* is associated with the heart or feeling. It's how much energy and passion they have for the work they do.
- *The Motivational* is linked to the hands or acting. It's how well they perform their jobs.

Be sure to design your environment (both physical and technological) to support employee engagement. Millennials will be inspired and enthusiastic if you incorporate Web2.0 based interactions, for example. Call routing systems tied to CRM can ease agent frustration by providing background information on the caller and current situation. Call recording helps everyone learn from difficult calls and individuals gain recognition for well-handled calls. You can also use technologies to determine optimal break periods, and build flexible work schedules that meet the needs of both the company and your workforce.
Get employees engaged and they understand what they need to do to help their companies succeed. They feel emotionally connected to their organizations and their

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[1] Closing the Engagement Gap: How Great Companies Unlock Employee Potential, Julie Gebauer, Don Lowman, 2009
[2] Author Unknown, "Creating A Highly Engaged and Productive Workplace Culture," *The Gallup Organization*.(Available through www.gallup.com).

leaders and are willing to put that knowledge and emotion into action to improve performance.

#6 A Virtual Workforce

Home-based agent programs have certainly got the attention of the contact center industry and for good reason. DMG Consulting reports that there are over 300,000 home-based agents working in the United States to date with the number expected to triple by the end of 2010[3]; Gartner states that home workers are up to 40% more productive[4] and Frost & Sullivan states that each at-home agent saves an average of $12,000 per year in real estate costs.[5]

A well thought out and executed program will increase employee and customer satisfaction as well as production while decreasing operating costs. The key words here are *"well thought out and executed".* A reported 60% of at-home programs fail.[6] They fail not because they are not a good idea but because many businesses don't have the necessary IT infrastructure, internal resources or process needed to develop a successful program.

Here are some guidelines to help you avoid some of the most common pitfalls.

Develop a Policy and Procedure Guide
A documented policy and procedures guide must be developed and will prevent misunderstandings of the employee/employer home-based relationship. Items that should be covered in the guide include:

- Home office requirements such as ergonomic and noise free standards
- Where to find and access things like the employee handbook
- Who to call for what
- General process and procedures
- Guidelines around child and pet care
- Balancing of life and work
- At-home office checks

The employee should be required to sign the guide and a copy should be placed on the company intranet where it is easily accessible.

Build Remote Worker Profiles
Developing a spot-on profile for home-based candidates is critical to the success of your program as there are several must-have attributes. The first is a basic level of *technology skills.* Remember, these workers will be on their own and it is important that they are able to resolve first level issues without having to call an in-house IT resource. It is also important that they possess *excellent communications skills* as they will have little

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[3] At-Home Agent Business Case and Best Practices, DMG LLC, 2006

[4] Dataquest Study, Gartner, 2009

[5] Customer Contact eBulletin, Frost & Sullivan, December 2008

[6] U.S. Home Based Agent 2008-2012 Forecast: Home Shoring in an Underwater World, IDC

or no face time with management, co-workers and/or customers. Add to the list *independent thinking* and *problem-solving skills* as these are keys to meeting performance standards. Remember, agents at home cannot lean over their cubicle to get help with a problem call. Successful at-home agents also demonstrate a deep sense of *loyalty* and *understanding of company vision and goals. Dedication, self motivation and discipline* round off the list of attributes that will increase your chances of hiring good, long-term remote agents.

Provide Proper Technology
This is an area that can make or break your home-based program and companies must make a commitment to provide remote agents with the same technology as their on-site agents. This includes telephone, headset, computer and access to all in-house applications such as Customer Relationship Management (CRM), Workforce Management (WFM), Knowledge Management (KM), Quality Monitoring (QM) and Computer Telephony Integration (CTI).

The technology is available now to handle and route all interactions in the same way, which makes it much easier to route them on to the most appropriate agent regardless of their physical location. This is a win-win for everyone. Agents can work from home on a more flexible basis, companies can still route, record and report all contacts, and customers get the fastest, most complete answer.

Just who pays for what is a decision you will have to think through. Many companies make employees pay for some part of the technology so they have a sense of ownership and responsibility in the program.

Ensure Security
Much thought and consideration should be given to how an organization's data will be secured. Most companies share access through a secure VPN with sign on and authentication procedures. In addition, identity protection technologies are available to mask valuable customer information on the agent end. Disabling printing capabilities and providing portable shredders decrease security risks.

Foster Employee Development
Put in place a remote training program for new hire, enhanced and same day assistance. In addition, use automated quality recording, evaluations and coaching as tools in employee development. Agents at home should receive the same number of evaluations and coaching sessions as in-house staff and they should be able to access and review their recorded interactions and completed evaluations. Home agents should also have access to productivity reports and key performance indicators to monitor their individual performance on a regular basis.

Get Your Employees Engaged
This is perhaps the most overlooked and underestimated reason for home-based failures. Collaboration is essential to keep remote workers connected to co-workers and the company and make them feel like they are part of the team. Online tools such as instant messaging, bulletin boards, Web conferencing and chat rooms are all great ways

to connect with your virtual workforce. Also remember to include agents in all incentive and reward programs, invite them to social events at the center if possible and select in-house buddies to keep them up to speed on what's going on at the home campus.

Today there are an estimated 300,000 home-based agents in the US, and this number is predicted to grow dramatically. Centers will increasingly see this model as an attractive alternative that offers flexible schedules, increases retention, cuts costs and attracts top-performing employees. If you aren't considering a home-based agent program, beware. Chances are your competitors are.

#7 The Customer Experience

Customers now have at their fingertips an explosion of choice when it comes to the products and services they consume. The Internet has made it easy for them to compare pricing, check features and switch service to a competitor. Consumers are much more informed and knowledgeable about their options and their expectation levels have risen. Contact centers must be on top of their game if they hope to retain market share and produce future growth.

Here are some powerful quotes for you to ponder.

> *"It costs five times as much to attract a new customer than to keep an existing one satisfied."* - Customer Service Institute[7]

> *"The average company has 60-70% probability of selling again to existing customers, 20-40% probability of successfully selling to lapsed customers and 5-20% chance of selling to a new prospect."* - Marketing Metrics[8]

> *"Loyalty leaders grow on average more then twice as fast as the industry average across a wide variety of industries."[9]* - Frederick Reichheld, Loyalty Rules

Contact centers play a big role in how their customers view the company. A good customer experience with the contact center can make the difference between a happy customer and a former customer. Making that good customer experience happen on a regular basis requires continuous training and supporting technologies. Employ both of these and you will become known for your good service.

Conclusion

Evolution is imperative for survival. Contact centers have done a good job in adapting to changes in the marketplace over the past decade and will need to continue evolving to take their place among 'the fittest'. They must focus on the value they bring to customers and the company, and engage the four age bands of workers and customers. They must select technology that is simple to implement and manage yet delivers the capabilities to meet new customer demands and an increasingly virtual workforce. They must build and

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[7] Customer Service Institute of North America, www.serviceinstitute.com
[8] Marketing Metrics, www.marketingmetrics.com
[9] The Loyalty Effect and Loyalty Rules, Frederick Reichheld, 2003

execute a social media strategy that services this newest customer contact channel. Mastering these drivers will elevate the customer experience and bring profitable growth to forward thinking contact centers.

About the Sponsor

Altivon delivers IP-based, unified communications solutions to Contact Centers and the Enterprise. Founded in 1989 and focused on elevating the customer experience of its customers' customers, Altivon handles all aspects of solution design, deployment and support. The solution set solves communication and process problems, and includes multi-media Customer Interaction Management (CIM), Enterprise IP Telephony, Unified Messaging, and Networking. The company is headquartered in Phoenix, Arizona and has offices across the US and Canada. Company web site: www.altivon.com

About the Author

Connie Smith has been involved with contact center operations in various roles for more than 20 years. She leveraged her cumulative experience with all aspects of running contact centers and became a consultant, helping world-class contact centers such as Southwest Airlines, Staples, Cabelas, Nordstrom, Nike, Alaska Airlines and Safeco

During the course of her career, Smith has written over 50 articles and white papers and has spoken to over 100 audiences worldwide offering her practical experience as a contact center leader and consultant.

Today, she is the President of SpotOn Enterprises providing speaking, consulting and training services to customer sales and service organizations sharing her wealth of knowledge and experience by shedding light on what matters most.

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