Using Contact Centre Strategic Planning and Budgeting Tools to Optimise the Customer Experience

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Executive Summary

In this "flat world" of business that the global market place and social media are creating, the role of a senior executive and the management of your contact centre has never been more challenging, demanding, or complex. . The accelerating requirements of customers, combined with new contact channels, have created unprecedented demand and velocity of your business's response.

Key areas of focus for leading corporations are Customer Experience (CX), Net Promoter Score (NPS), and cost reduction. CX and NPS results generally rely on contact centre measures such as service level, customer satisfaction, and quality to evaluate service performance. Often, employee rewards or executive bonuses are linked to these results.

Recent advances in contact centre technology involving strategic planning and big data applications enable organisations to understand how budgetary decisions impact CX and NPS results better. In addition, business requirements to manage these results must also extend beyond the contact centre and incorporate the back-office operations.

For most organisations, the contact centre is viewed as the central area of the business in which CX and NPS results are managed. However, a contact centre is a dynamic multimedia environment that is complicated to understand. Many businesses lack the necessary strategic planning and budgeting tools for executives to recognise accurately how decisions made by departments outside the contact centre will ultimately impact CX and NPS results, shareholder returns, and executive bonuses. Decisions made in areas such as HR, Finance, Training, Marketing, Product Development, or Operations can make a notable and collective impact.

Contact centres are a world of innovative and intricate technology, yet are bereft of the analytical tools required to budget, analyse, or predict future customer service level results and operating costs accurately. Without smart analytical tools, the key impacts are:

- Reduced or fluctuating contact centre service levels that impact CX and NPS results
- Increased costs through inefficiencies with people and operations
- The inability to manage the areas of risks associated with CX and NPS results effectively

It is said that "hindsight is an exact science." So imagine if your interdepartmental executive teams had analytical tools that enabled them to "predict" future CX or NPS results and operational costs by using "**what –if**" scenarios that empowered them to make calculated decisions.

Strategic planning solutions using big data technology are the key to giving clarity to your executive teams about how decisions made by all departments will impact service results for months or years in the future. Such solutions can provide the analytical methodology to quickly and accurately determine the best ways to achieve cost reductions and effectively manage service results concurrently.

Given the fact that people usually account for 70-80 percent of total contact centre costs, then even a 5 percent cost reduction by implementing the right solution can equate to saving millions of dollars. On top of that, the business can realise more savings through reductions in costs for attrition, recruitment, and training, and through increased productivity. With the right tools in place, your teams have access to powerful information that can lead to swift, accurate decisions about how to achieve maximum CX and NPS results at minimum cost.

Key Challenge in Your Contact Centre

Brad Cleveland is recognised as an eminent global industry leader and a member of the ICMI Advisory Board. In his opening address at the 2012 contact centre industry ACCE Conference in the US, Cleveland revealed results of an ICMI survey that asked industry leaders about their top challenges. The survey's results showed that "budgets, planning, and strategy" were among the top concerns.

In most mature organisations, there is a rigorous process for creating annual plans and budgets. However, the contact centre, generally a multi-million dollar area of expense, most often is not systematically accounted due to limitations with common strategic planning and budgeting tools. Given the complexity in the centre, combined with the enormous costs associated with poor CX and NPS results, this has become a major area of business focus. What are the key capabilities these common solutions can't provide?

- Accuracy to pin-point key areas of costs savings for people and operations
- Explanation of the real and often hidden causes behind fluctuating service levels
- Ability to predict future results based on accurate "what-if" scenario modeling done in real time
- Tools to develop effective long-range budgeting plans for your contact centre(s)
- Knowledge of how decisions made in teams such as HR, Finance, Marketing, Product Development, Sales, and Operations will affect CX and NPS results, and the real cost impacts
- Understanding of how these interdepartmental silo decisions cause CX and NPS results
- Data to see how some KPIs for the contact centre are conflicting or might be impossible to achieve concurrently
- Relevant information to manage risk adversity in your contact centre and respond with agility to unexpected changes in business conditions

Typical business example

A common challenge for many contact centers is managing imposed restrictions on head count or recruitment by areas such as Finance or HR. Although these dictates might achieve the cost savings results required from an enterprise perspective in the short term, they often cause a significant decrease in service levels, resulting in poor Customer Experience and Net Promoter Score results. Due to the gradual decline in staff numbers, it may take 3-4 months for the impact to become fully apparent. By then the situation is usually critical, the cost and time to repair the damage can become many millions of dollars, and the resulting brand damage can be immeasurable.

Aspects of the Challenge

Workforce management solutions
Existing workforce management (WFM) tools used in most mature contact centres were designed primarily to create short-term forecasts, employee schedules, and daily staffing plans. These tools let centres micro-manage daily results to meet short-term plans and do an excellent job. However, WFM solutions are not designed to develop long-range strategic plans, taking into account the volatility of today's modern contact centre and demanding customer environment. Big data technology that links WFM results to all other relevant solutions is now paramount to planning accurate strategic options for 1 to 5 plus years in the future. The forecasting and scheduling tools your WFM teams use will become an integral component of the big data input required to meet the strategic planning demands of future forecasts for multimedia channels, back-office functions and long-range budgets.

Complexity of creating long-range strategic plans and budgets
To create long-range forecast and plans, what the WFM analysts, back office and CX management teams generally use are extensive manually-created spreadsheet solutions. Being manual, these spreadsheet solutions usually do not connect directly to data feeds from other key business solutions. This results in mismatched data inputs that are inaccurate and incapable of supporting your executive teams to make effective decisions in a timely manner. This outcome severely inhibits your ability to respond quickly or with confidence for "go to market campaigns," changes in products or market conditions, unexpected customer demands, or seasonal business trends. It also often results in "gut decisions" being made without understanding the impacts they will have on future CX and NPS results.

Conflicting call centre KPIs that impact CX and NPS results

Most contact centers use KPI measures provided in industry benchmarking reports. Yet some KPIs are conflicting, counterintuitive, or just ridiculous to be measured as a KPI. For example, many centers have some variety of the following three KPIs.

KPI	MEASURE	DEFINITION
Service Level (SL)	85/10	% of calls answered in 10 seconds
Abandoned Call Rate (ACR)	< 3%	% of callers hanging up in under 10 seconds
Occupancy (OCC)	80%	% of time agents work per shift

Because they're recognise throughout the industry, these might seem like reasonable KPIs. The reality, however, is that often these KPIs are impossible to achieve concurrently without incurring huge costs in overstaffing. In other cases, these specific KPIs should not serve as key indicators at all. What does this example teach?

- This SL is set high which increases the cost of people and might have no significant impact on NPS results
- Both the ACR and OCC measures are outputs, the results of inputs such as customer behaviour, overstaffing, or understaffing, which makes them unsuitable as KPIs; however, they are valuable measures to understand overall CX better

Most common strategic planning and budgeting tools are unable to perform the deep, complex analytical analysis required to show your executive teams the costs of your KPIs or explain how they potentially conflict. The result is often heated debates and a lack of disciplined decision making.

Departmental silos

The results of a 2012 study by Beyond Philosophy with customer experience professionals and executives showed that "silo mentality" is the biggest organisational hurdle to improving customer experience results.

Although the end-to-end customer experience touches most parts of an organisation, the departmental silos are usually not aligned. Generally this lack of alignment is because of the company-centric or channel-centric nature of many organisations and results in conflict, particularly about how department decisions impact contact centre service levels. The ways KPIs are measured across different silos can actually be counterproductive with each other to achieving CX and NPS goals.

The constitution of business silos often seems to work against the interests of customers and engineer the wrong cultural behaviours. In order to deliver great CX and NPS results, your teams must understand how decisions made by departments such as HR, Finance, Training, Marketing, or Product Development ultimately impact service levels in your contact centre. One major impact that silo structures have on contact centre results was explained previously in the section, Typical business example'; however, there are many examples that your teams currently might be blinded to that are also impacting these crucial results.

When new products, marketing campaigns, or services are launched that have an enormous impact on customer traffic, the contact centre can be dramatically affected. Yet all too frequently, strategic planning and budgeting models failed to predict accurately the additional contact centre agents required to meet customer demand or have them recruited and trained in a timely manner. The results are often disastrous for campaign success, customer experience, and organisational costs. Unfortunately, the contact centre generally gets blamed for either:

- Employing too many agents too soon and increasing campaign costs, or
- Not employing enough agents soon enough to manage customer demand reducing sales results.

Operational units will deliver against the KPIs that are measurable, since their bonuses, especially management bonuses, are contingent on the achievement of those results. However, explaining to all your interdepartmental executive teams how some of their KPIs conflict with customer experience KPIs in the contact centre has been almost impossible up until now. This has usually resulted in interdepartmental battles, blinded from fact, driven by costs reductions, at the expense of CX and NPS results. Those heated debates are ultimately futile or unwinnable without a comprehensive strategic planning and budgeting solution.

Big Decisions Require Big Data

Since the early days of data collection and analysis, organisations have collected and analysed data for operational efficiency and business forecasting. This has created a symbiotic relationship between information and technology, and given rise to the term "big data." However, that term has been extensively misunderstood, misinterpreted, or miscommunicated, particularly in relation to customer experience and contact centres.

International Data Corporation (IDC) defines big data as a "new generation of technologies and architectures designed to economically extract value from very large volumes of a wide variety of data." The vast amounts of data in the contact centre environment provide an enormous opportunity for analytical budgeting and forecasting solutions. Strategic planning solutions, using big data technologies, take advantage of all this available information to account for the impact on customer experience when making organisational plans and budgets.

Contact centres need smart technology that is designed to consolidate data from telephony, workforce management, payroll, email, chat, back office, and casework systems. Collected data can be organized, validated, and used effectively in analysis, budgeting, and reporting. This provides an agile and accurate planning tool that enables management to evaluate the customer experience impacts of various service strategies by using "what-if" scenarios.

Analytical solutions providing this capability are commonly referred to as strategic planning solutions. In the context of the IDC big data definition, however, the fact that a planning solution must provide the capability and capacity of managing and linking the enormous amount of data required for strategic planning and budgeting, a contact centre big data solution is required.

Ultimately the solution must address your key contact centre challenges by delivering strategic planning and budgeting capabilities to:

- Use predictive analytics to provide "what if" analysis of likely outcomes to evaluate budgeting and planning options quickly
- Quickly identify areas of risk that might affect service levels and impact CX and NPS results
- Adapt easily to major changes in the business environment, customer demands, or new products
- Accurately model the complexities of multimedia-enabled centers for channels such as voice, email, chat, web, or social, and also link to back-office functions
- Empower your executive teams with data feeds in real time to alert them of deviations from expected service or business results, and that can also explain why and suggest actions

This level of modeling should enable your executive teams to predict the impact of adopting strategies for things like an at-home workforce, contact management by channel, optimal recruitment and training times, and required skill types. The solution should provide answers to operational questions like how many people do we need, and when, to manage attrition, or should we outsource, and if so, where to and what capacity.

Business Results

A contact centre big data solution must provide results that can be validated and financially quantified in the following areas:

Customer experience results

- Net Promoter Score
- Customer satisfaction scores
- Service levels
- Quality scores
- First Contact Resolution

Cost results

- Optimal number of FTEs
- Employee attrition
- Planning and analysis time requirements
- Employee productivity
- Training lead-time
- Recruitment lead-time

Other key business results

- Increased precision in planning and budgets
- Enhanced forecasting ability across multiple contact channels
- Ability to perform quick and accurate "what if" analysis
- Enriched business decision capabilities
- Consistency and efficiency in achieving operational goals
- Linking planning across interdepartmental teams
- Improved communications across interdepartmental teams

Return on investment

For many organisations, the criterion for return on investment (ROI) in contact centre technology is generally a quantifiable return within 6 to 12 months.

Calculating ROI for a contact centre big data solution must be relatively simple. Given the fact that people are 70-80 percent of contact centre costs, the key ROI will be in the optimisation of staffing levels. Even a 2 to 5 percent saving in FTEs can represent millions of dollars in savings. The other areas of cost savings listed above for training, recruitment and analysis time, and productivity, might be more challenging for some organisations to quantify; however they can be significant. By deploying the right solution, these business costs must be able to be quantified financially and made transparent.

Ultimately a key question to ask is: ***"What is the cost impact that not achieving your contact centre service levels has on brand damage through poor CX and NPS results?"***

Executive Conclusion

Executives responsible for contact centers need the accuracy of information that GPS navigation systems provide to airplane pilots. After all, centers are like mega-million dollar planes that require fine control to maneuver. The more accurate the real-time analysis, the greater chance you have of landing successful Customer Experience (CX) and Net Promoter Score results.

The rise of social media and the demand by customers for multichannel contact avenues has created unprecedented complexity in managing your contact centre. The results of failure by your organisation to meet customer service level expectations are now increasingly visible via social media blogs. The outcomes can severely impact your CX and NPS results and, ultimately, your brand.

To manage CX for your business effectively, your executive teams need tools that enhance long-term planning activities and create budgets taking into account how they impact your CX strategies. Your business must have insights on how strategic planning decisions affect customer service outcomes with certainty and clarity. "Survival of the fittest" in this transparent business world will be measured by the ability of your teams to predict and manage results flexibly and swiftly.

Since the early days of contact centers some 25+ years ago, technology has developed and changed at phenomenal speeds particularly as centers have extended from hundreds to thousands of people and have operational budgets in the millions. Yet until recently, no technology has addressed the enormous challenge of strategic planning and budgeting to manage this volatile high stakes environment.

A contact centre big data technology solution can finally take the blindfold off your executives so they can see how decisions made today will ultimately impact the customer experience your organisation delivers, along with its profitability and shareholder returns today and in the future. This kind of solution gives your executive teams the best possible knowledge to empower them to make informed choices that optimise customer experience and operating costs.

With stakes so high, flying blind or relying on gut instinct is not acceptable. The key to navigating risk and optimising performance is using contact centre strategic planning and budgeting solutions leveraging big data technology. Doing so provides the fast and accurate information necessary to make informed decisions quickly and with business confidence.

The Author

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Erin has over 16 years' experience in executive positions and consulting services for organisations in the APAC Region. She has worked with major corporations in industries that include Telecommunications, Banking, Financial Services, Insurance, BPO, Government, Utilities, Airlines, FMCG, International Air Express, and Hospitality. Erin has created strategies for service, operations, technology, sales, workforce optimisation, and people management.