Enabling the Next Generation Contact Center

This whitepaper is based on content from an August 2004 Webcast featuring,

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1. Introduction

“Do more with less” is the mantra that drives today’s business strategies, and customer contact is no exception. Single-channel call centers have evolved into complex, multi-channel “next generation” contact centers that must handle more than calls: they must handle e-mail, self-guided support via the Web, and additional methods of customer contact. However, despite the evolving sophistication of customer contact strategies, customer service representatives are distracted from their core responsibility by having to work with layers of disparate applications that require specialized training. What’s more, there is a prevailing disconnect between what upper management perceives to be the role of the contact center and the way the contact center actually operates. Should it drive revenue, contribute to it, or neither? Another disconnect often exists between the IT infrastructure and contact center processes. As a result, the quality of customer service often suffers as contact center managers and agents struggle to fulfill the misguided expectations of upper management while falling short on what should be their most important and only goal: satisfying customer needs.

So what function should the next generation contact center serve in the organization, and how can technology for integrating processes increase productivity, enhance customer value, and ultimately play a strategic revenue-generating role in the organization? Based on a RealMarket Webcast featuring Chris Selland, vice president with Aberdeen Group, and Rob Morris, vice president with Jacada, this white paper discusses the evolution of the call center to a multi-channel contact center, identifies key challenges of contact center management, and presents recommendations on how contact centers can successfully align with corporate goals and provide value to the customer. The paper concludes with an overview of how Jacada Fusion provides a proven process integration solution for improving contact center effectiveness and agent productivity to achieve optimal customer service.
2. Defining the Next Generation Contact Center

When today’s busy consumers and commercial buyers need customer service, they want several options for getting a fast, reliable response. Most of all, they refuse to spend precious time on hold with a telephone receiver glued to their ear. Driven by key factors—such as a “need it now” mentality, the popularity of e-commerce transactions, and the frustration associated with long “call-hold” times—the traditional call center has evolved into what is commonly called a contact center. More than just taking inbound calls, a contact center is a multi-channel service environment that allows customers to interact with the customer service department of a business in a variety of ways — for example, by using e-mail, self-guided support via the Internet, or Interactive Voice Response systems (IVRs). Live voice communication, however, still accounts for 44 percent of customer contacts, followed by e-mail at 28 percent, self-guided Web-based support at 18 percent, and face-to-face contacts at 10 percent, according to 2003 data from the Aberdeen Group.

Today’s contact centers are also characterized by a blending of inbound and outbound call services, rather than by separating these into specialized centers, or outsourcing outbound calling. In fact, more and more companies are incorporating outbound calling and other channels of contact into their regular customer service cycles to meet customers’ demands for real-time information, such as order and shipping status, notification of flight delays, or product updates.

Just as the channels of customer communication have become more varied and complex, so have the factors that influence how contact centers are operated and managed. In particular, regulatory and privacy legislation—such as “do not call,” CAN-SPAM, HIPAA, and Graham-Leach-Bliley—now play a significant role in contact center strategy and processes that did not exist even one year ago.

Most critical to the success of the next generation contact center, however, is this key question: Is the contact center strategic and aligned with corporate goals? Upper management may talk “enhanced metrics,” even though they are seldom seen firsthand in contact center processes. But for the most part, companies are only giving lip service to the strategic view of the contact center.
and the role that it plays in creating value in customer relationships. When management takes a hard look at contact center processes, a clear picture emerges of a cost center that is very much disconnected from the corporate vision of the contact center as a potential profit center.

3. Challenges of the Next Generation Contact Center
Research findings obtained by the American Bankers Association in 2003 indicate that only about seven percent of its member financial institutions are generating revenue from their contact centers, despite the fact that upper management perceived their contact centers to not only increase customer value, but also to enhance revenue. Such findings can be extrapolated to many diverse industries. This disconnect is made even more critical by the following key challenges that have put additional pressures on contact center operations:

3.1. Doing more with fewer resources
Although contact center managers continue to hope year after year that the CFO will finally recognize the strategic value of the contact center and allocate more capital for improvements, the reality is that these managers continue to do more with fewer and fewer resources. And out of necessity they have become very adept at cutting costs wherever possible. In most cases, cost cutting measures are in direct proportion to how the managers and agents are paid beyond their salaries or hourly wages. If, for example, the pay structure is based on how quickly agents can end a customer call and move on to the next one, the organization is less likely to see the need for additional resources, such as upgraded applications or process integration.
3.2. Layers of disparate applications

As illustrated above, contact center agents are challenged daily to navigate as many as ten disparate, non-integrated applications as they attempt to resolve customer service requests. Agents must constantly “hotkey” over to other applications and search for customer data in several different systems. This process adds to the length of time customers must stay on the call with the agent, particularly their hold time, waiting for a response. Not surprisingly, these long processing times add to customer frustration and dissatisfaction with the company. This frustration also affects agent performance and may contribute to the transient nature of contact center staff, as discussed below.

This is also where the disconnect with IT becomes apparent. Historically, organizations have built or bought systems to automate specific operations, such as accounting or inventory management, and the choice of future systems is dictated by the platform on which the original systems operate. As a result, the contact center must layer its applications on top of existing systems that may be 20 or 30 years old instead of integrating with them. Contact center management finds it impossible to improve processes on its own since they have little, if any,
control over or ownership of the underlying systems. Removing and replacing the entire IT infrastructure of the contact center is too risky and costly an option, so most call centers simply live with the inefficient processes they have in place. This structure has a tremendous negative impact both on agents and customers. Productivity is lower, the customer experience suffers, and numerous errors are introduced into the process because of redundant data entry.

3.3. A transient workforce
Contact center agents make up a primarily transient hourly-based workforce, characterized by turnover rates as high as 50 percent, part-time and temporary employees, as well as outsourced workers. Training times of 4 to 6 weeks are common, and related costs are significantly higher than most industries, due to the complexity and long learning curve inherent in learning to use many disparate applications. Moreover, agents who are inadequately trained due to time and cost restraints may further alienate customers, and reflect negatively on the company, if their lack of expertise in using the applications causes the level of service to erode even further.

3.4. Ineffective cross-selling and up-selling practices
Even though companies have failed to assign more resources to contact centers, they are still putting increased pressure on contact center managers to drive revenue. Traditionally, this approach has led to strategies of cross-selling and up-selling by customer service representatives during service calls. Unfortunately, most companies do this quite poorly. A common customer complaint is that a customer service representative starts pitching a new product or upgrade even before the caller has received a response to his or her service request. Selland maintains that companies that use inefficient cross-selling and up-selling practices trade short-term sales for long-term customer value, since they often alienate customers and lose rather than gain sales. Moreover, in many cases, selling by service reps is often perceived as competing with the sales force, so it is generally difficult to gain organizational support for such an effort.

3.5. Inability to respond to customer preferences
Companies may have a pre-conceived notion of how their customers prefer to do business with them. For example, large business customers will buy through a catalog, while small business
customers will contact the company by phone, and consumers will shop through the company’s retail outlets. But when a large business customer suddenly goes to the retail store, the company doesn’t know how to handle the customer service issues that may arise. Many companies lack a visibility and understanding of their customers across all channels and therefore are unable to adapt contact center strategies and processes to real customer needs.

4. Future Trends

Looking to the future, the success of the next generation contact centers in overcoming these challenges will rely on a shift in upper management’s expectations of the role of the contact center within the organization. The successful contact center will contribute to revenue growth, rather than drive it, but most of all, it will be focused on doing the best possible job for the customer. Some of the key trends identified by Aberdeen Group’s research include:

4.1. Customers drive change

Listening to customers and understanding their needs, rather than basing decisions on what upper management thinks is right for enhancing profits, is the best way to drive change in contact center strategy. Staying constantly aware of what channels customers use or don’t use to seek service, and then adapting contact center strategies to customer needs, will make a substantial difference in creating an improved customer experience. As such, change must be an ongoing and iterative process based on real-time visibility of customer expectations.

4.2. Integrate service with sales and marketing

Contact centers can align strategically with corporate goals to contribute to revenue growth by working closely with the sales and marketing operations rather than attempting a potentially alienating cross-selling or up-selling approach. In this way, companies can think differently about selling out of the contact center and driving long-term customer value. For example, if a
sales opportunity arises that must be acted upon immediately during a service call or contact, agents could be trained to transfer the customer to a sales representative after the problem has been resolved. Moreover, agents should be given incentives to listen to the customer and recognize when such opportunities arise. The bottom line: make it easy for customers to get support, and make it equally easy for agents to provide it.

4.3. Maximize existing investments

Organizations do not need to “rip out” entire IT infrastructures in order to support improved contact center processes. Most contact centers have a solid IT infrastructure in place; though it may be older and non-integrated, with the right technology it can be leveraged to integrate processes and applications. Adding a non-intrusive technology solution that automates key service tasks can give agents seamless connections to customer data that exists in disparate systems throughout the organization. By maximizing and leveraging existing IT investments, companies can finally achieve the process improvements that are critical to customer service, while eliminating the risk and disruption to all underlying applications. Moreover, fast and flexible integration across all applications is a must to satisfy an organization’s rapid ROI requirements and support the constant change in processes that occurs in contact centers.
4.4. Fusing applications for rapid ROI with minimal risk

Integrating applications, platforms, and processes is critical to process improvement in contact centers. In the most practical sense, this approach and the technology that supports it has its greatest impact on the contact center desktop by delivering a new, simplified user interface to replace screens filled with complex interactions created by too many disparate applications. As illustrated above in this screen shot from Jacada Fusion, the result is a superior interaction between people, processes, and information, resulting in a higher quality of customer service.

This simplicity is achieved by a software solution that loosens the connection between the processes and the applications that implement their pieces, enabling contact center operations to view the process independent of the application. A solution such as Jacada Fusion enables organizations to build composite applications from any packaged or custom application, whether based on a Windows, Web, or host platform.
Whether or not the contact center owns or controls the underlying applications, it is important that any process improvement initiative avoid risk or disruption to the IT infrastructure. Therefore, a non-invasive approach for integrating or “fusing” all of the applications at the desktop is the recommended strategy.

Jacada Fusion supports this approach. In addition to lowering risk, this strategy also shortens project duration and time to ROI. Process simplification and automation can typically be achieved in a matter of weeks or months, with ROI achieved in less than a year in most cases. Using Jacada Fusion, for example, contact centers can deliver a new, streamlined, easy-to-understand interaction for agents and customers, irrespective of the source applications used in the contact center.

4.5. The benefits of process integration with “fused” applications on the desktop

- Dramatically improved quality of contact center work environment
- Improved agent morale
- Greater focus on adding value to customer interactions rather than simply processing requests
- Shorter call-handling times
- Lower training costs
- Reduced number of data errors
- Lower agent turnover
- Dramatically improved customer service experience, regardless of channel
- Reduced cost of operations
- Improved data integrity

During a service interaction, the agent’s attention can now be focused on customer needs, not on screen navigation, multiple applications, and data entry. Because contact center managers and agents no longer need to be focused on those basic, mundane tasks, the contact center can introduce new processes and pursue new revenue-generating strategies, such as integrating with sales and marketing to identify sales opportunities. Jacada Fusion, for example, has delivered
results rapidly, making it possible for a contact center to quickly align itself with corporate objectives—and to do it in a cost-effective manner and with minimal risk by leveraging the existing infrastructure.

### 4.6. Proof of rapid ROI

Contact centers in any size organization can benefit from this approach to process improvement. First, contact center management must identify their toughest problems related to using multiple applications. Is it redundant data entry, for example, or too many skills required to perform even a simple task? Next, management should seek a solution provider that understands the way agents work and the tasks they perform. Based on those observations, the provider should be able to offer a solution that simplifies those processes and ultimately automates the tasks by driving the underlying applications for them. Most importantly, the provider should be able to deliver this simplified process interaction in a few weeks or months.

Integrating and simplifying contact center processes with Jacada Fusion, for example, has resulted in considerable gains in productivity and savings for companies across a wide range of industries:

- **Insurance Company**
  Achieved a 97 percent reduction in training time and a 100 percent return on investment in the first year

- **Timeshare Resort Company**
  Achieved a 25 percent reduction in training costs and a 50 percent improvement in new agent productivity, with a complete ROI within the first year of deployment

- **Brokerage Firm**
  Efficiency gains have enabled brokers to spend twice as much time in relationship building activities
Insurance Company

A 4 percent productivity gain resulted in a $400,000 savings in less than a year and a predicted $2.7 million savings over five years

5. Conclusion

The contact center is often the “face” of an organization, and a customer’s experience during a service interaction can make the difference between a loyal, long-term customer and one who is frustrated and may be lost to the competition. Achieving high levels of customer satisfaction is critical to an organization’s success. As such, overcoming the challenges that threaten contact center productivity and efficiency must be a key part of any corporate strategy.

The successful next-generation contact centers will be those whose strategies are driven by customer preferences and needs instead of “numbers only” boardroom decisions. Moreover, these centers should not be expected to drive revenue, but rather to contribute to it by providing a fast, efficient customer service experience and responding to, rather than pursuing, potential sales opportunities.

Next-generation contact centers must be geared to provide customer-selected, multi-channel service. Although voice contact still predominates, contact centers need to respond to the rapidly growing use of e-mail for non-critical issues and Web-based guided self-service for simple, high volume issues. Moreover, as the contact center environment becomes more complex, a seamless transition between contact center processes and underlying applications is key to process improvement, greater efficiency, and creating more value in customer interactions.

Most of all, the vision of the next generation contact center can be achieved only if agents can do their jobs easily and intuitively. Organizations can start by simplifying and automating high-value processes with non-intrusive technology that can deliver fast results with minimal risk. Advanced technology, such as Jacada Fusion, can help unify the contact center desktop, simplify the agent’s tasks, and integrate processes without interrupting the underlying IT infrastructure.
For more information about Jacada Integrator Host Transaction Connector call Jacada, or visit the Jacada web site at www.jacada.com.

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