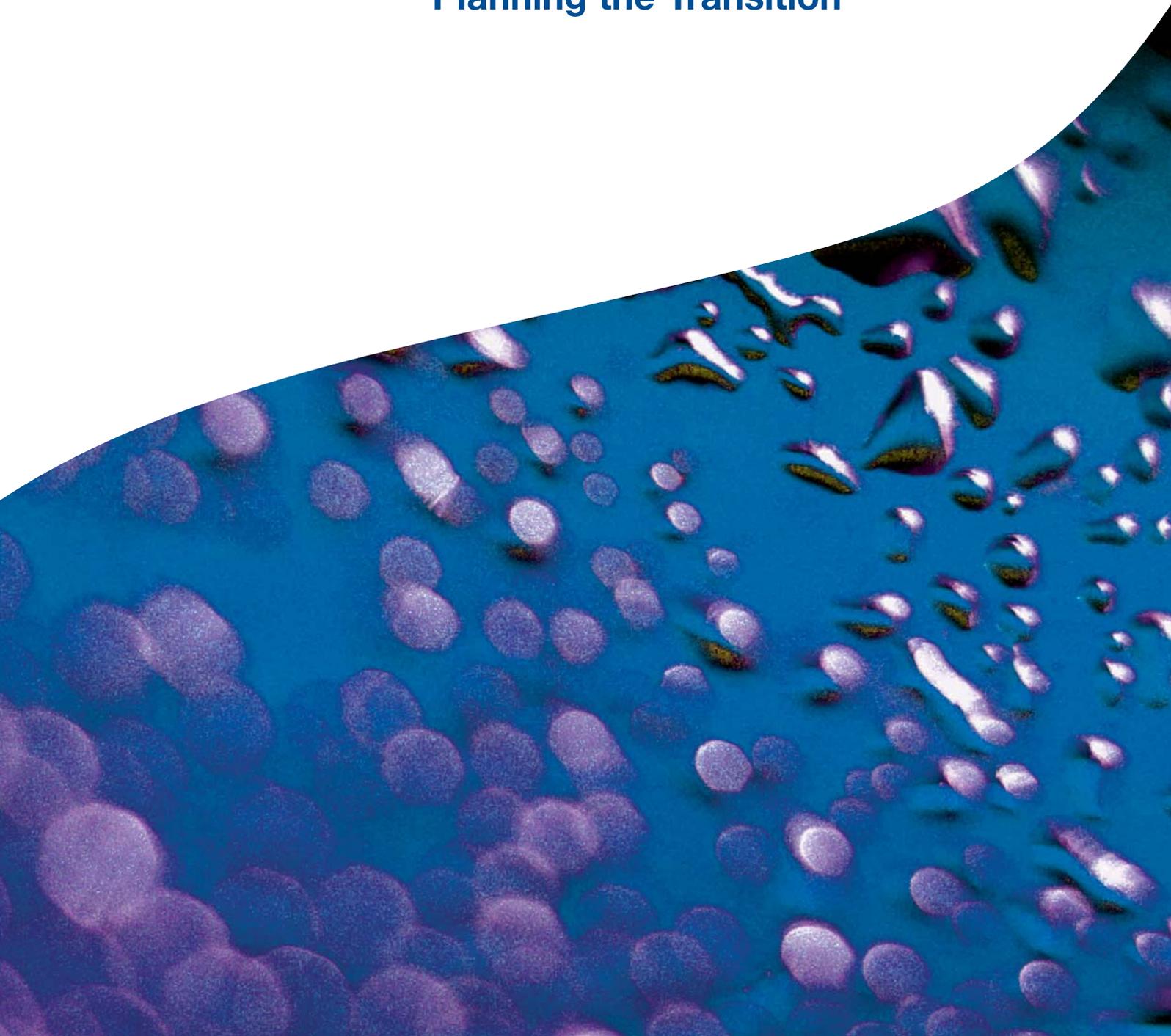


The Contact Centre of the Future

Planning the Transition



It is time for the evolution into the Customer Experience Centre

The Contact Centre of the Future – Planning for the Transition

Companies tend to overestimate the satisfaction of their customers. Many companies see their contact centres as successful, but customers tell another story. The Genesys Global Consumer Survey 2007 found that 63% of customers are regularly frustrated by long hold times, 50% by interactive voice response (IVR) systems with too many or incorrect options, and 47% by having to repeat information already provided. This dissatisfaction sours the entire relationship between customer and business.

Customer discontent, coupled with high costs, means that unless contact centres undergo a radical transformation, customers will vote with their feet. At best, the organisation will feature negatively in the press, and in customer forums and blogs.

Meanwhile, successful organisations will be transitioning to what Capgemini calls the “customer experience centre” (CEC). The CEC will integrate all pertinent channels into a coherent experience for the customer – one that allows individuals to interact with the organisation via their chosen channels, switching seamlessly from one to another. The CEC is likely to be a decentralised structure, with technology bringing staff together into a “centre” that is purely, or mostly, virtual.

The objective is to deliver customer experiences that are managed and not random. Randomness might mean that when two customers phone in simultaneously with the same enquiry, one is put through to a human operator and another to an IVR system, though there is no good reason for the difference. Another form of randomness occurs when

customer segmentation takes into account only a single data point when determining how to handle an interaction.

In a managed experience, on the other hand, technology and organisation will offer “intelligent” customer events: interactions that deliver an improved experience for the customer, and that return extra value to the business in terms of higher profits, reduced cost of interaction, lower churn, or whatever goals it has defined for itself.

Contact centres are lagging behind customer expectations

Today’s customers expect a lot from contact centres: increasingly, they benchmark their on-line experiences against the sophistication of Web 2.0 technologies. Customers have also come to expect the same choice of communication methods that they enjoy in their leisure time. The Genesys survey showed 19% of respondents favouring live online web chat, 89% email and 21% SMS text messaging. One B2B client organisation reported directly to us that nearly 40% of incoming contacts are via instant messaging (IM).

Customers are now often willing - sometimes eager - to use “self-serve on-line” channels like airline on-line check-in facilities, though they don’t necessarily like being forced to do so. Well-designed speech recognition applications are also increasingly acceptable, though again there will always be some customers who will still prefer an “old-fashioned” phone call with a human being at the other end. In any event, companies must provide alternatives, allowing their customers to interact via the correct channel at the correct time at an acceptable cost.

Unfortunately, contact centres are not keeping up with customer expectations, as the Genesys findings show. Reasons for this inertia include incorrect customer segmentation, underinvestment in, or poor design of, technology solutions, silo-based organisational structures, poorly designed processes and inconsistent agent training.

Historically, companies have **segmented customers around their commercial value**, categorising them into gold, silver and bronze groups. Contact methods are then determined from these categories, so that, for example, only gold customers get put through to a human agent instead of an IVR system. For the contact centre, this model creates random experiences that can potentially damage customer relationships.

When it comes to the process that is visible to customers, **investment tends to be lacking**, and not enough thought goes into designing the interaction. The results include poorly realised web sites and IVR systems, a neglect of the hi-tech channels increasingly favoured by customers, and a fixation on reducing average handling time (AHT) rather than enhancing customers' experience.

A further problem arises from **silo-based organisational structures**.

While organisations often understand individual customer interactions quite well, very few have a picture of the customer's overall experience across multiple touch points or products. (Consider your interactions with your bank across personal savings, insurance and investment accounts.)

All these limitations of current contact centres damage a company's wider relationship with its customers. In a recent study by Experian, three-quarters of consumers said they would increase their dealings with a company based on an excellent contact centre experience, while half said that last time they stopped using a company, poor customer service was at least part of the reason.

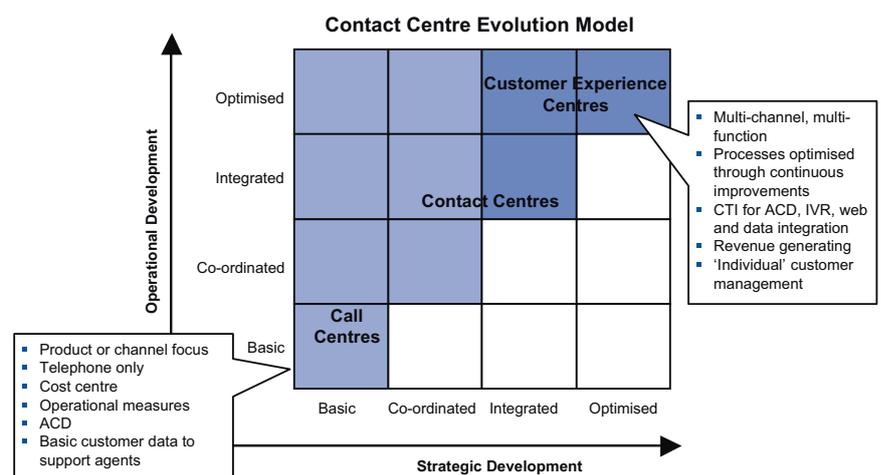
If current trends continue, in five years' time contact centre service will have diverged from customer expectations beyond the point of no return, with potentially disastrous consequences for the business. What can companies do now to start bringing their service back on track?

Design an integrated customer experience

Capgemini believes that, just as call centres transformed themselves into contact centres during the 1990s (figure 1), it is now time for those contact centres to evolve into Customer Experience Centres.

The transition from today's contact centre to tomorrow's CEC is a complex one, and it too must be undertaken in a way that is managed, not random.

Figure 1: Evolution of the Contact Centre



Creating a managed, integrated customer experience is no longer prohibitively expensive

Where today's contact centres go wrong is through neglect of the overall customer journey, and failure to consider the touchpoints where value can be created or destroyed. Companies must now look at themselves from the outside in, working out what kind of experience their customers would like, and then re-designing the contact centre organisation to support that experience.

So what do customers actually want? For years Ipsos MORI¹ has tracked the qualities that customers look for in organisations. Historically, first product quality, then customer service, were the dominant required qualities. Today, however, honesty emerges as the most important attribute (perhaps reflecting disillusionment with recent political and financial decision-making on the world stage).

We need to deliver all three qualities - product quality, customer service and honesty - across all channels, while allowing the customer to choose which channel to use, when and how. If a customer is notified of a proposed engineer service call via text message and needs to re-schedule, they should be able to do so by text (or whatever channel they prefer), rather than being forced to phone in.

In the past, creating an integrated customer experience looked prohibitively expensive. Today, however, current technology, coupled with rigorous process definition, makes it relatively easy, and costs are controllable provided you maintain a focus on the managed customer experience, rather than on technology for its own sake. How is this done?

Creating the vision

To achieve this transformation, companies must first create a vision of their future CEC. The vision must describe the complete customer

journey across all channels. The journey must be defined in terms of an "intimacy model", which maps a company's strategy for dominating its market, whether through competitive pricing, product innovation or service excellence.

The precise vision will be specific to each industry and organisation. The one thing all visions will have in common is that they must be designed around the customer experience, not around a company's processes, organisation or technology. Among other things, this means taking into account each customer's circumstances – for example if they're contacting you from work they may not be able to use the internet and you may not have their telephone number – and making sure you can interact with them within those constraints.

Consider how best to use each channel. For instance, in the case of voice calls, which remain important despite the proliferation of other channels, there are a number of possible strategies including the following:

- Decide that no customer will ever talk to an automated call handling system, but instead put all callers through to a human operator (the First Direct approach), or
- Never publish phone numbers at all, because your internet product is so strong (the Amazon approach), or
- Align and integrate the telephone with all other channels to create a positive experience, so that when the centre gets a phone call from a customer or (in the public sector) a citizen, agents and systems are aware of any letters already received from that individual, and of any responses sent, even if the exchange happened a month ago or longer. (This is part of British Airways' vision for the customer journey when Terminal 5 comes on-line during 2008.)

¹ Source: Honesty is the Best Policy, Loyalty Exchange 3rd Edition, Ipsos MORI

Organisations will increasingly have to define a sourcing strategy based on customer profitability and desired customer experience

Planning the transition

Realisation of the CEC vision must be planned in a number of dimensions. Here we consider just two: people and technology.

In terms of people changes, organisations will move away from traditional front and back office environments and towards an agent/advisor/expert model, which better matches the different requirements of customers.

Staff will need to acquire the skills for customer-centric working – in particular, advanced communication skills. How you recruit, develop and nurture your people is critical: team managers will spend 70% or more of their time supporting agents, meaning that their skills too will need an upgrade.

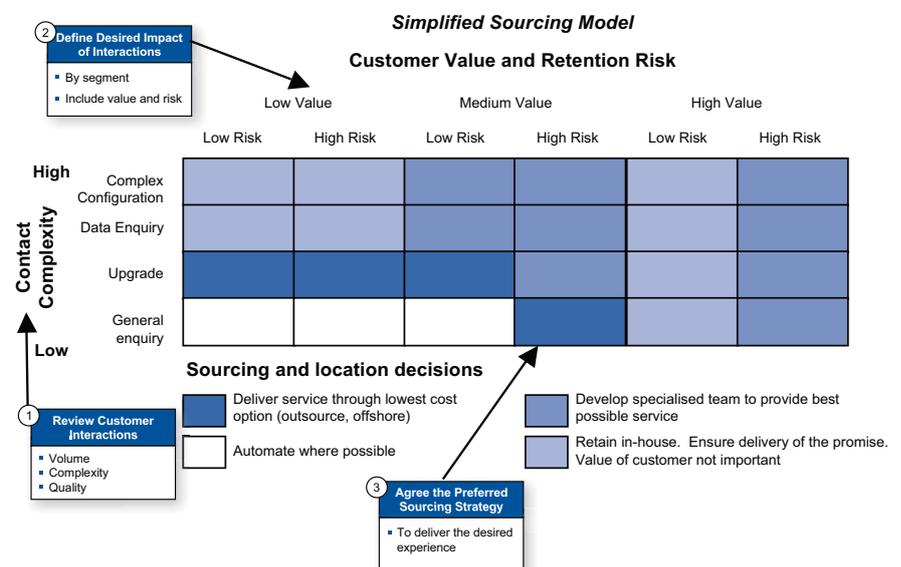
It is often overlooked that people provide a better service if they are armed with the correct tools, feel accountable and are proud of their company. Empowered employees can increase satisfaction for your customers, leading to improved retention.

Staff performance must be measured at an individual transaction level, and in near-time, to capture the customer's perceived experience. You need to put in place incentives that motivate staff to optimise that experience. Your sourcing strategy - i.e. channels, locations and self-serve technologies blended as a mix of capabilities - will be critical in creating the right experience for the right price (figure 2).

When it comes to technology changes, the good news is that current technology allows the transition to tomorrow's CEC to be undertaken gradually. For instance, Voice over IP (VoIP) allows sharing of the same infrastructure for both voice and data, leading to lower costs. Service Level Routing will improve interactions by ensuring that customers reach the best prepared agent. Voice recognition will provide better and cheaper self service - and so on.

Even if you need additional resources to deliver the level of experience you want, you won't be building today's large expensive contact centres.

Figure 2: Capgemini's sourcing model showing example transaction types for indicative 'value' based customer segments



Instead you can connect small sites, groups or individuals into virtual centres, across different time-zones if required.

Capgemini can help develop and realise the vision

Capgemini has developed an eight-factor model that helps organisations both to build their vision of the CEC and to work out how to get there. The model creates a managed - not random - environment where your customer experience vision, operating model and technology capability come together. You can then determine, at the level of individual transactions, exactly the experience your customers will receive.

Eight factors will be used, intelligently and simultaneously, across your multi-channel environment (figure 3).

Figure 4 shows another model that our clients have found helpful in planning their route to the contact centre of the future. This framework invites you to consider a series of relevant dimensions, identifying gaps between the present position and the desired situation in each case. Those dimensions with the biggest gaps can be prioritised for special attention. For example, an organisation might decide to prioritise systems integration, knowledge management and lifecycle management – areas where it is currently weak but requires high performance in future.

Capgemini has successfully used models like those sketched in figures 3 and 4 to help several clients define and realise their vision of the contact centre of the future. Figure 5 gives an example output from a recent engagement.

Figure 3: Capgemini's eight-factor model of the CEC vision

- P** **Product**
- PC** **Predictive Contact Information**
- Pr** **Proposition**
- Pre** **Preferences**
- RE** **Revenue Enhancement (xsell and up sell)**
- C** **Context**
- BR** **Business Rules**
- H** **History**

Figure 4: Capgemini's route map to the contact centre of the future – a multi-dimension framework for exposing gaps

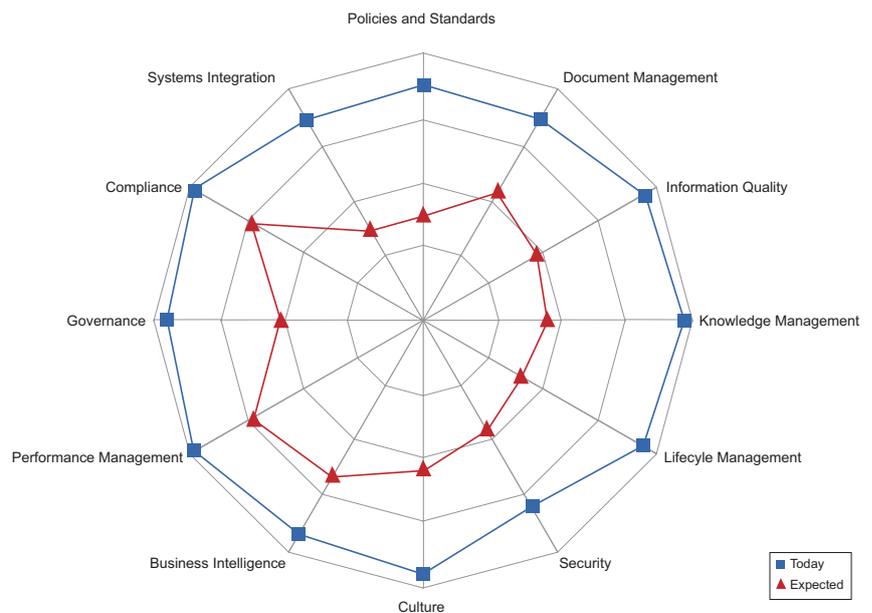


Figure 5: A vision of the customer's and agent's experience, as developed by Capgemini for a client

| Getting in touch with this company is so straightforward and they seem to really know me and understand my needs | | | | |
|--|---|---|---|--|
|  | <ul style="list-style-type: none"> I get through to someone who instantly recognises me – I don't have to answer endless security questions | <ul style="list-style-type: none"> I normally use the self-service but know that if I have a problem, I can get help quickly and easily – they're very good at quickly figuring out what's wrong | <ul style="list-style-type: none"> They always provide me with appropriate relevant options, so I can choose the solution most convenient for me | <ul style="list-style-type: none"> They will provide good balanced advice when helping me to choose a solution – they seem to understand my lifestyle and what suits me |
| Customer | They know who I am | Figuring out what I need | Providing me with options | Helping me find a solution |
|  | <ul style="list-style-type: none"> When a customer calls, my system instantly provides me with all the information I need on one screen | <ul style="list-style-type: none"> I can instantly see our contact history with the customer I trial all services so can give advice from my own experience – that really helps empathise with the customer | <ul style="list-style-type: none"> The training/coaching means I'm continually learning and improving my technique of helping customers Plus the system is really easy to use and provides me with useful prompts | <ul style="list-style-type: none"> The diagnostic tool is so straightforward, I can spend time advising the customer This is when I feel I can be most helpful, being adaptable to their needs |
| Employee | Working here is great – I feel valued, supported and I'm proud to be part of an exception team | | | |
| | <ul style="list-style-type: none"> I know they will sort out my problem and keep me updated on progress. I know that if there's an issue or delay, they'll let me know | | | <ul style="list-style-type: none"> I'm confident that any process requests will be actioned – I rarely get chase up calls from customers If there's a problem or delay, I know customer will be informed |

Large B2C Energy Provider

Contact centre improvements were a major element in delivering annualised benefits of over £18 million. This organisation had been experiencing significant customer service issues across all of its consumer customer segments. A combination of Hothousing – Capgemini’s methodology for bottom-up improvement - and Six Sigma brought dramatic enhancements to many aspects of the customer experience. Over 150 process optimisation initiatives were eventually implemented, often to the benefit of both customer and organisation – for example there was a significant increase in First Time Resolution.

Tactical approaches

As well as this recommended approach - focusing on the vision of what the customer experience should be - we see clients adopting two others: value stream analysis and process improvement.

Process improvement is always relevant to the boardroom agenda of saving money. We can help clients to gain an in-depth understanding of a given problem, and to engage all of their employees in the subsequent change to ensure it is sustainable.

With a process improvement approach, Capgemini helped a major train operator’s sales centres to increase efficiency, productivity and agent utilisation, using Advanced Speech Recognition (ASR) and voice-data integration to make the experience of buying a train ticket quicker and easier for the customer and more profitable for the operator. A cost reduction of 20% was realised alongside a 10% improvement in service standards.

Value stream analysis distinguishes activities that create value from those that create waste, enabling improvements at both organisation and process levels.

Using value stream analysis, Capgemini helped a leading European mobile telephony incumbent to introduce a sustainable approach for improving customer experience and reducing waste, resulting in an £50m-£100m improvement in earnings over three years.

Process improvement and value stream analysis are both worthwhile tactical approaches. But in terms of strategy it’s vital to develop a vision of the future CEC. Capgemini can help you shape that vision and design a plan for realising it.

Conclusion: Customer experience as brand differentiator

The transition to the CEC will be a long and complex one. However, as everyone accepts, the customer is becoming ever more powerful and ever more transient. This customer will not be patient if the experience they are looking for doesn’t materialise - and some contact centre organisations are already getting to the point where they can provide that experience. Customers will leave a company that does not meet their needs and expectations, and will take their business elsewhere.

Provided it is properly planned, the transition can be undertaken in comfortable stages: stages that will provide tangible, positive differences for customers, and mutual benefits early on. But organisations must approach the transition in a managed, not random, way, just as they must approach the customer journey in a managed and not random way.

In a world of increasingly homogeneous products, a happy customer experience can be a positive differentiator for your brand. To make sure your contact centre is remembered for the right reasons, it’s worth the trouble of developing it into a Customer Experience Centre, with which customers can develop a lasting relationship. This is the route to customer loyalty and business success.



About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working, which it calls the Collaborative Business Experience. Capgemini reported 2006 global revenues of 7.7 billion euros and employs over 80,000 people worldwide.

Capgemini Consulting is the management consulting discipline of the Capgemini Group. Capgemini offers transformational excellence through understanding specific customer needs in all business sectors. Based on our strong functional expertise and our ability to accelerate change, we collaborate with customers to design the best strategies and execute the transformation, impacting both business results and growth. Across the globe, Capgemini Consulting has 5,000 management consultants. More information is available at www.uk.capgemini.com

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