



Speech Analytics in the Call Center: Making the Right Decisions in a Still-Growing Market

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No topic today lights up contact center professionals' eyes like speech analytics. When I speak at conferences, in classes, or with clients, it is the most engaging topic, triggering endless discussions on the possibilities. Vendors and analysts have done a great job promoting (hyping?) it. It promises transformational change and a paradigm shift in what we can learn and do in the center – a veritable gold mine. That's exciting news in an environment filled with day-to-day fire fights, and with the frustrations of being such a critical - yet often neglected - cog in the end-to-end business processes.

Now, I hate to be the one to say this rock might be pretty hard, and the gold buried deep within, but this adventure is not a trivial undertaking. With all the excitement, few dare to dampen the enthusiasm with a reality check, but here we go.

Few Prospectors, Uncertain Pickings

While speech analytics has been around for a number of years, there's not a ton of on-the-ground experience with it. According to Donna Fluss of DMG Consulting, there were 1,242 implementations at the end of 2007, amid aggressive growth. While overall call center numbers are hard to come by, it's probably safe to say that less than 5% of centers have speech analytics today. With a couple dozen vendors supporting the existing installations, the average vendor might have less than 100 customer sites (with some having many more, while some undoubtedly have only a handful). Chances are good that your chosen vendor will still be learning alongside you.

Of those who have implemented, it is not clear what percent are getting significant value out of their systems. Vendors have some powerful case studies to demonstrate system value and speed to payback. Analysts tout the high value and rapid ROI. Yet the vast majority of installations are too new or immature to have applied all the "bells and whistles." We know of some implementations – in "best-in-class" organizations – where the users are climbing a fairly long (and sometimes steep) learning curve, and are still helping vendors work out kinks in the technology. When companies evaluate speech analytics or attend a user conference, it can be difficult to find someone with similar characteristics to discuss best practices.

In addition, while speech analytics technology is rich with categorization, analysis, trending, reporting, and mining capabilities, it is only as good as its users and their ability to extract gold that they couldn't otherwise find. For example, one of our clients conducted a proof of concept with several vendors. We weren't overwhelmed with the findings. We asked the client to categorize the results into buckets, such as: (i) we already knew that, (ii) we could figure that out using other tools or processes, (iii) that's interesting but useless, and (iv) that's interesting and useful (and most importantly, I can do something with it). The reality is that many results fall into the first three categories and, therefore, are of marginal value. The real value lies in unearthing significant things that companies can't derive from quality monitoring samples, data captured at the desktop, or even focus groups with representatives. Speech analytics can also be valuable for generating hard data to support interdepartmental conversations, such as convincing marketing that they are confusing customers, product management that their product creates an inordinate number of service calls, training that the reps are in fact not complying with all the defined steps and statements, and competitive analysis that they're spending their precious energy on the wrong companies and offers.

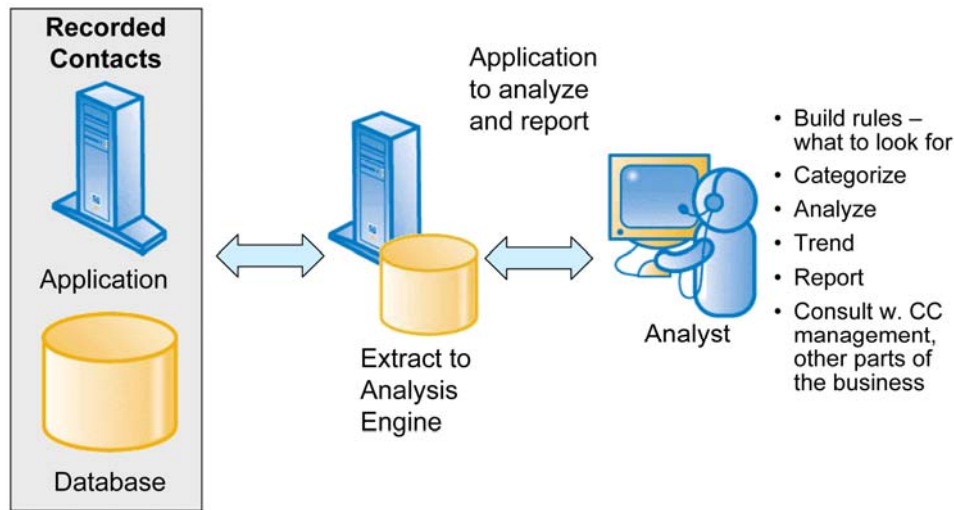


Figure 1: Extracting gold from the mountain of conversations

I'm not trying to paint a dire picture and say call off your plans. Rather, I'm trying to make sure we're realistic and prepared, grabbing all the right skills, tools, and resources to find or create the payoff. If you're considering speech analytics, you need to understand what it takes to do it right and gain business value from it. You need to be aware of the up-front and ongoing investments. The call center doesn't need another underutilized, underperforming, and/or poorly applied technology (unfortunately, implementations of CTI, WFM, IVR, and other technologies can offer examples).

Considerations for Finding the Mother Lode

To do speech analytics right, you need to consider many important factors at each project stage. Planning, implementation, and ongoing application and optimization of the technology require thoughtful consideration if you want to capture some golden nuggets.

Planning

First, you need to clarify what you're really going to do differently. Speech analytics is not just a quality monitoring replacement, in spite of some of the vendors' early efforts to position it as such. Nonetheless, you do need to define how speech analytics fits with your QM system and processes, and whether or not you'll leverage - or replace - your current recording system. Consider speech analytics applications such as compliance verification, voice signatures, quality monitoring augmentation, or true analysis and whether each is appropriate for your needs. Define how speech analytics fits with data analytics, because chances are if your organization is enlightened and mature enough to do speech analytics, it is already doing a fair amount of data analytics. [If your organization is not already doing data analytics, you need to look at your overall analytics plan, not just speech analytics.] As part of your plan, determine if you are going to integrate the analysis of speech or text (or both) and data. Think about how you will look at the metadata associated with conversations, along with the data created about or as a result of those conversations. You may want to tie speech analytics results into the outcomes of other tools such as QM, customer satisfaction, WFM, performance optimization, and CRM.

Keep in mind that speech analytics is not just about analyzing: it's about acting on the analysis results. Once again, those pesky people and process elements are critical to a technology's success. Ideally, you bring along your cohorts from marketing, product management, field sales and services, or other business areas to



establish goals for speech analytics and to ensure buy-in to act on the results. The call center generally owns or leads speech analytics efforts today, but that may not be the source of greatest value.

Another part of planning is developing the financial analysis. Estimate what you'll achieve – in cost savings, revenue increases, or other quantifiable benefits in the business case. Project when you will begin to realize those benefits, based on a realistic timeline for rollout and the learning curve. Keep in mind: the cost is not just hardware and software. Conduct a full total cost of ownership (TCO) analysis, considering professional services, maintenance, and the resources needed to use speech analytics effectively. Recognize that these resources may be new positions, not just people who are doing analysis in their spare time.

Implementation

Speech analytics implementation demands the stomach for time, patience, hardware and money. In typical fashion, vendor promotions don't make it sound like a complex technology, but it can become troublesome as the rubber meets the road. You need to define requirements for processing, building libraries, testing, tuning, etc. And you need to allocate the time to work through those tasks to get it right. Speech analytics is also fairly server-intensive. Part of the design process includes defining what percent of calls you will record and what percent you will analyze. 100% of calls recorded and 100% analyzed is a tall order, but it may be what is really required to do full analysis to support your business goals.

Optimization

Ongoing application and optimization require the right kind, and the right number of, analysts. The early implementers aren't just turning report junkies or QM staff into analysts. You need a true analyst mindset to turn speech into gold. For example, one company's analytics group has a team member with a master's degree in operations research and years of analytics work with data systems. Best-in-class companies put enough people on speech analytics to do the strategic, ongoing analysis, as well as the ad hoc analysis that will inevitably come up. In fact, many find that the greatest hurdle to getting the most out of their speech analytics investment is allocating enough resources and time to do both the planned analysis and ad hoc requests (especially across the enterprise). Unfortunately, sometimes those plans for resources to use the tools – in the supervisory trenches, or in marketing and other areas, for example – end up going unfunded once the technology is in place. These companies learn the hard way that they can't get full value without the right resources.

Managed Services as a Speech Analytics Option

Some companies may need to consider crawling before walking. Keeping in mind how easy it is to get excited about this technology, we must also keep in mind that not everyone can afford to run out and purchase the hardware, software, and professional services, much less fund the ongoing costs. If you're in this boat, consider using services to do some speech analytics. You don't have to buy and manage technology, or ante up analysts. Rather, let vendors analyze your recordings and provide outcome reports. You'll still need to find a way to act on those results, but the vendors will do much of the legwork for you. Some view this as a big compromise as it is not inherently ongoing analysis (unless you subscribe to that) and nobody knows your business like you do. But it's a good way to pan for gold without becoming a fully outfitted mining company. What you learn through this exercise may prove invaluable as you refine your speech analytics plan and make technology choices down the road.



Transforming Speech - and Customer Interactions - Into Gold

Speech analytics may indeed transform the center, but it should really transform customer interactions. We need to translate the excitement and enthusiasm about the technology into commitment to do things differently. A host of improvements may be possible through people and process changes within the center. But the real upside may surface by mining the cross-functional opportunities. End-to-end processes may need to change based on what companies uncover through their analysis in order to truly turn the discoveries into gold. If we do things differently down the road, both the company and the customer will strike it rich.

Author's Endnote: An Update on the Speech Analytics Market

As this article goes to publication, the market is experiencing a flurry of activity by some speech analytics vendors offering lower cost, easier -to-use applications that attempt to address many of the challenges highlighted here. These vendors recognize that, at least for some, full blown speech analytics solutions are too costly and complex and that is holding the market back. So these scaled back offerings promise lower cost solutions (including less hardware) that are easier to implement, use, and maintain. They highlight the opportunity to more quickly achieve a return on investment, even if it is only in the contact center. Stay tuned to see if these new solutions take hold and more centers reap the value speech analytics has to offer.