CONTACT CENTER CHALLENGES & PRIORITIES FOR 2020: THE YEAR OF THE AGENT

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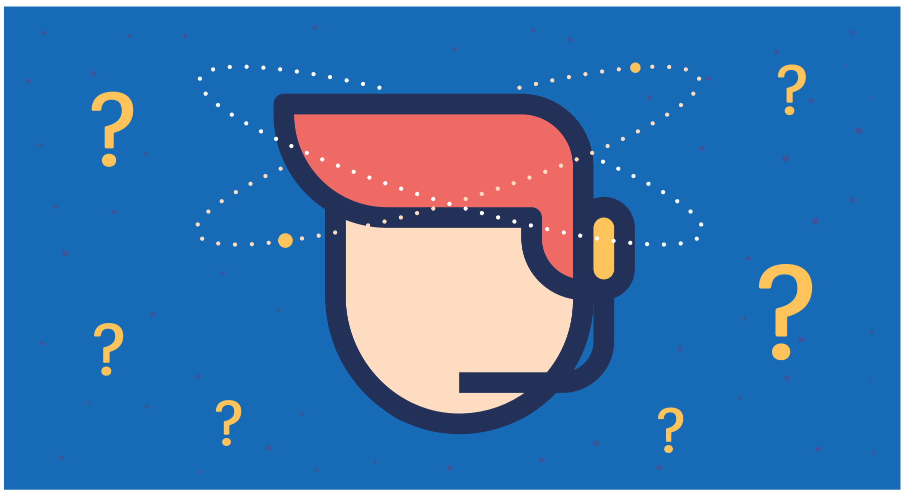
Contact Center pipeline

SPECIAL REPORT

CONTACT CENTER CHALLENGES & PRIORITIES FOR 2020: THE YEAR OF THE AGENT

Findings from our fifth annual survey reveal a strong focus on the agent experience.

By Lori Bocklund,
Strategic Contact



It's 2020: A new year, a new decade, and all kinds of opportunities to talk about perfect vision! Let's start off this exciting year with a look at the top challenges contact centers face and the priorities they hope to pursue. This is our *fifth annual survey*, and we had 275 participants chime in on their top three challenges and priorities. The consistency we maintain in our list of options lets us compare from year to year. Minor tweaks as our industry evolves (or participants provide us guidance in the "Other" category) let us look at what's new.

Last year's theme was change. Our 2020 theme (or vision) is "the year of the agent," which deviates from the industry focus on improving the *customer* experience (what most of our participants still select as their leadership's top goal). As centers tackle their challenges and pursue their priorities, I believe we will see a strong focus on the agent experience, and the result should be better customer experience, as well.

2020 VISION

The big picture results are shared in **FIGURES 1 AND 2**. Here are some observations that stand out this year:

- Attrition *catapulted* back to the No. 1 challenge position with a big lead over the others at 27% (up from 19.2%)
- Last year's No. 1 challenge, the desktop tools, is No. 2 but

SURVEY PARTICIPANT DEMOGRAPHICS

Contact center management and executives are again the majority of participants (57%), followed by corporate executives (13.5%), and support analysts (8%). The balance was contact center consultants (7%), supervisors (5%), sales and marketing (3%), IT (2%), vendor/contract/program managers (1.5%), and "others." **FIGURES 3 AND 4** show the industry representation and distribution of center sizes. The sizes are well-distributed and reflect the overall market—many small centers (50 and under), fewer large centers (over 500). We analyze the data by verticals and size so you can see targeted results in addition to the big picture. This year we also asked a bonus question about the most important goal for the center and we'll share some results about how challenges and priorities align with goals.

FIGURE 3: Industries Represented

33.9%	Financial Services
8.4%	Consumer Products/Retail
8.4%	BPO/Outsourcing
5.8%	Professional Services (including consulting)
5.8%	Insurance
5.8%	Education/Nonprofits/Associations
5.5%	Telecommunications/Wireless/Cable/Internet
5.5%	Healthcare
5.1%	Government
3.6%	Other
3.6%	Software/B2B Software
2.6%	Utilities
2.6%	Manufacturing
1.8%	Hospitality/Travel
1.5%	Transportation

FIGURE 4: Survey Participant Size Distribution

HOW MANY FTE CONTACT CENTER SEATS DOES YOUR ORGANIZATION SUPPORT ACROSS ALL SITES?

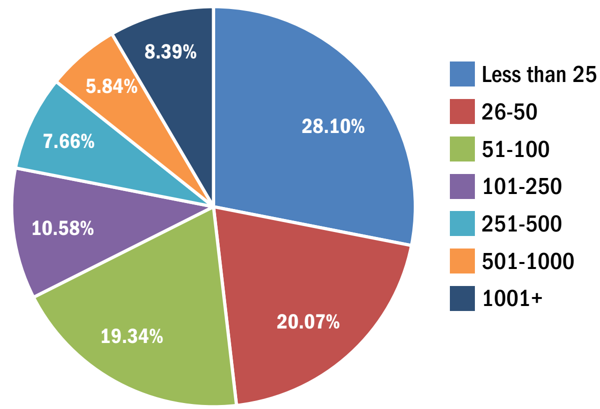


FIGURE 1: Biggest Challenges

WHAT ARE YOUR BIGGEST CHALLENGES TODAY?

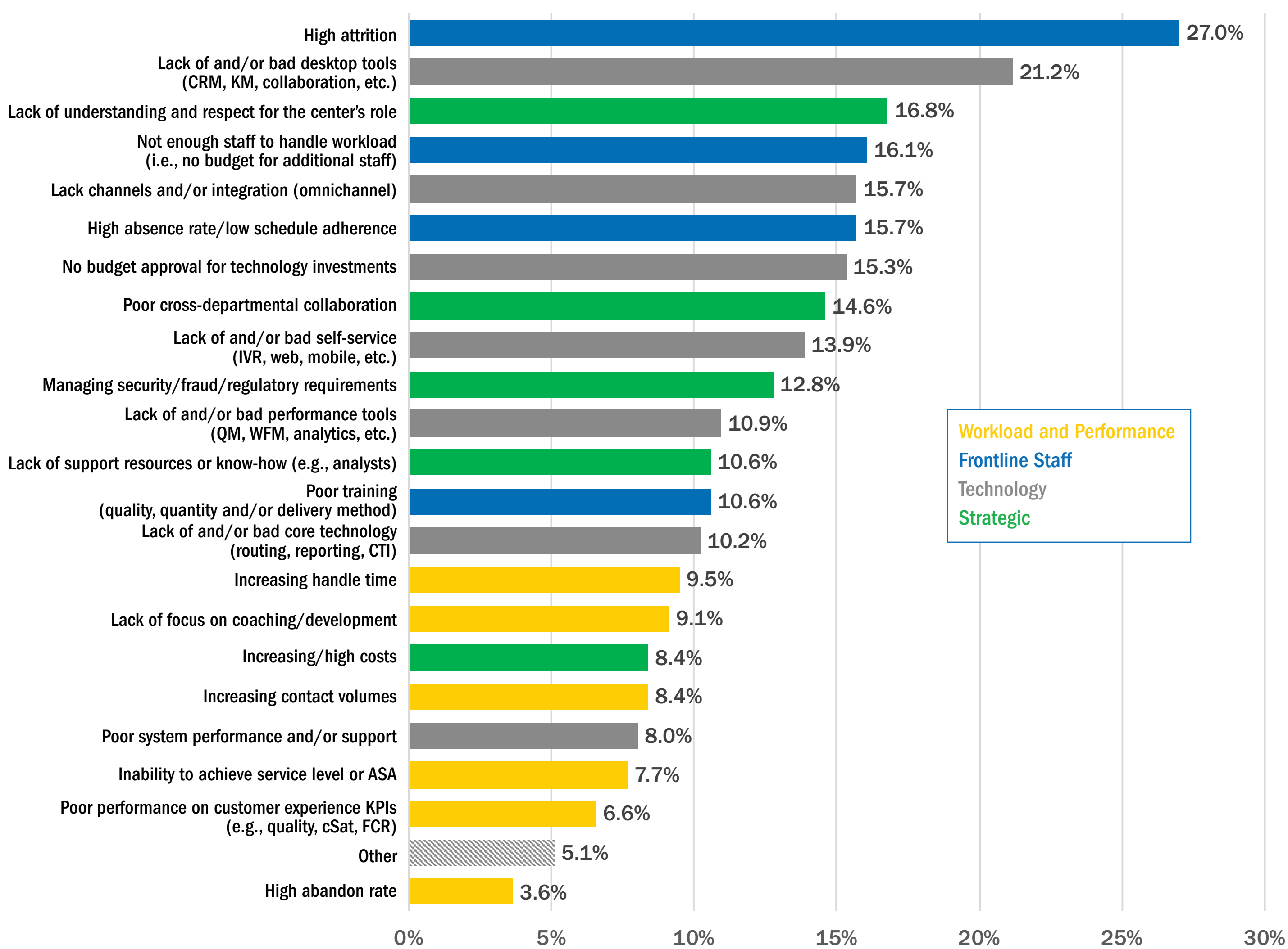
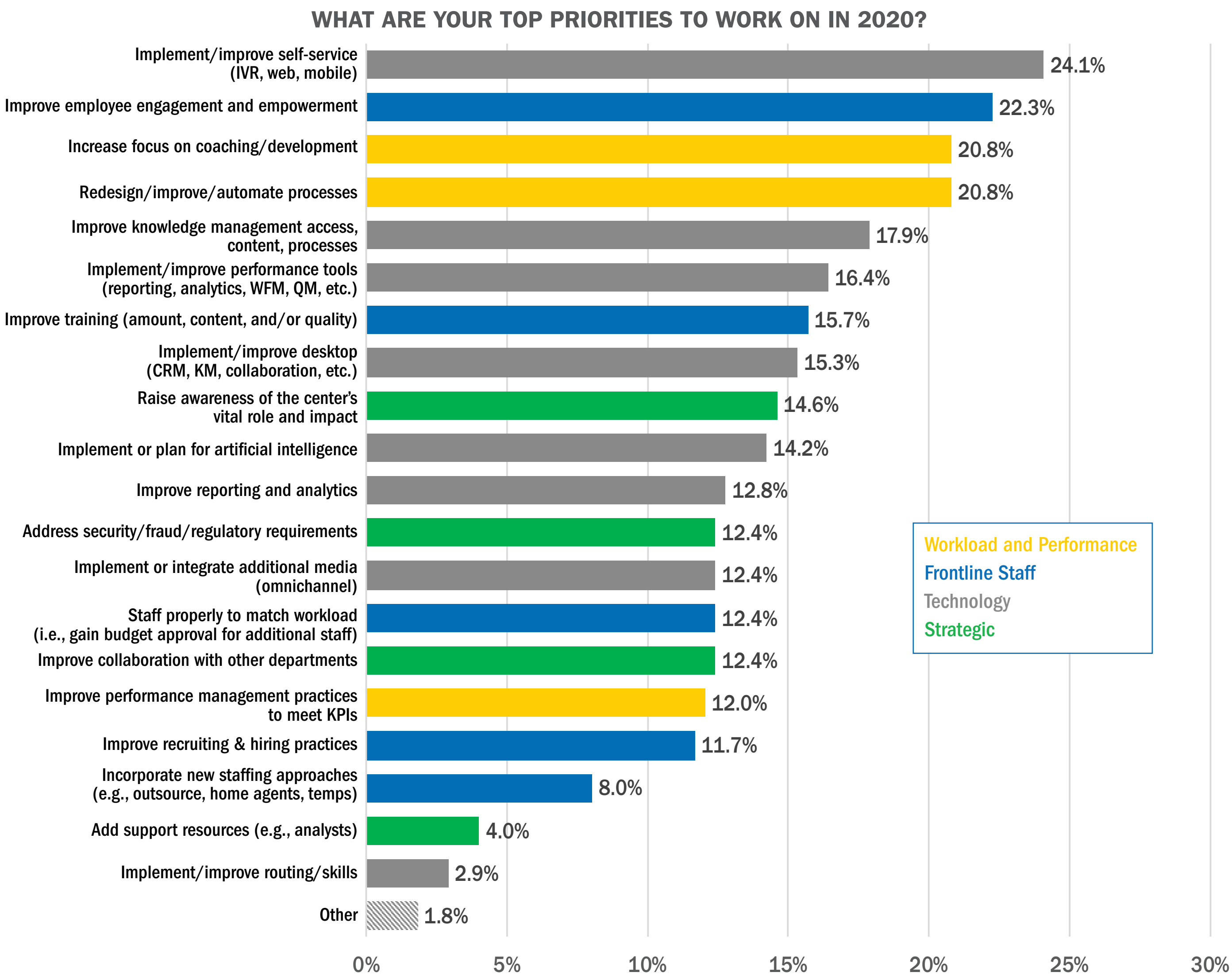


FIGURE 2: Top Priorities



with a higher percentage selecting it this year (21.2% vs. 19.2%)

- Lack of understanding and respect for the center's role also moved up significantly with 15.7% selecting that as a top challenge
- Raising awareness of the center's vital role and impact correspondingly moved up the priorities list with 14.6% choosing it
- Workload and performance challenges are in the lower third; technology, strategy and frontline staff issues predominate (however, workload and performance captured the No. 3 and No. 4 priority spots)
- Improving self-service (24.1%) and employee engagement and empowerment (22.3%) continue to jostle for the No. 1 priority, swapping positions this year, with self-service bumping up a couple points and engagement dropping a couple
- Coaching and development moved up as a priority, as did process improvement; they both sit at 20.8%
- The alignment of priorities and challenges is strong at the top; the highest ranking priorities should help with the profound attrition problem

TOP CONTACT CENTER CHALLENGES

With attrition garnering so many votes, we see a bigger drop in the percentage of folks selecting other challenges than we have in the past. Beyond that high pain point, there is a wide diversity of other factors hindering service, sales, and the customer and agent experience. The good news is centers seem to be meeting performance targets. The bad news is

TABLE 1: Industrial Views

INDUSTRY	TOP CHALLENGE(S)*	TOP PRIORITY(IES)*
Financial Services	Desktop tools	Improve employee engagement Increase focus on coaching/development
Healthcare	Attrition	Improve self-service
Consumer Products	Attrition	Improve self-service
BPO/Outsourcing	Attrition	Improve employee engagement Implement/plan for AI
Insurance	Attrition Budget for technology	Improve self-service
Telecommunications	Attrition	Improve self-service
Government	Attrition Self-service	Improve self-service
Software/B2B Software	Training	Improve training Redesign processes
Education/Non-profit	Absence/adherence Frontline staff Lack of respect for CC Coaching/development	Improve collaboration with other departments Improve reporting and analytics Raise awareness of CC's vital role
Professional Services	Core technology Desktop tools Self-service	Improve self-service

* Where more than one challenge or priority is listed, there was a tie for the top item.
RED indicates a repeat since 2019 (two years consistent).
ORANGE indicates a repeat since 2018 (three years consistent).
BLUE indicates a repeat since 2017 (four years consistent).
PURPLE indicates a repeat since 2016 (five years consistent)

that attrition, bad desktops, the lack of respect for the center's role, and not enough staff to handle the workload can all contribute to a vicious cycle that impacts performance and the customer experience.

CHALLENGES BY INDUSTRY

Slicing the data by industry, the attrition challenge is dominant for most, with BPOs being the worst with over 50% citing that top issue. That is, perhaps, not surprising, although industries like healthcare, telecom, insurance, and consumer products also had over 30% choose this challenge. The desktop problem is also common, at least for those with more complex contacts and systems, with 40% in healthcare and 28% in financial services reporting that difficulty.

TABLE 1 lists the top challenges by industry (where we had 10 or more inputs) and the color-coding shows trends across the years.

CHALLENGES BY SIZE

Attrition was again consistent, although only 18% of the smallest centers chose this top challenge. In all other size bands, attrition was chosen by over 27%. Desktop tools ranked high for those up to 100 seats, and over 500, but the midrange (101-500) did not note this as a top challenge.

Here are two other interesting numbers for specific sizes:

- The lack of respect is noted most by the smallest centers (less than 25 seats)—23.4%
- The biggest centers (1,001+) most frequently indicated that omnichannel is an issue (39.1%); the next highest band was 18.8% for 501-1,000 seats

TABLE 2 shows the top challenges by size, with the past two years included for comparison. The consistent problem of attrition is evident here.

TOP CONTACT CENTER PRIORITIES

I find the battle for the top-priority spot interesting. Both self-service and employee engagement have staying power as perennial priorities, but in this case staying power is not necessarily a good thing. If these priorities were being addressed, we might see more movement. In addition, they

TABLE 2: Size Matters

	CENTER SIZE (FTE)						
	<25	26-50	51-100	101-250	251-500	501-1000	1001+
CHALLENGES							
Attrition		⌘	⌘	■ ⌘	⌘	■ ⌘	■ □
Budget for Staff	□				□		
Channels				□	■		⌘
Cross-departmental Collaboration					■		
Desktop Tools		□	□				
Increasing Costs						□	
Performance Tools		■					
Self-service			■				
Understanding the CC's Value	■ ⌘						
PRIORITIES							
Coaching/Development		■ ⌘		□		■	
Collaboration						□	
Employee Engagement	■ ⌘	□			□	⌘	
Knowledge Management				□			
Performance Tools			□				
Processes				■ ⌘		□	⌘
Recruiting/Hiring Practices						⌘	
Reporting and Analytics							□
Self-service			■ ⌘		■ ⌘	□	■
Training	■			□		■	

■ 2018 Challenge/Priority □ 2019 Challenge/Priority ⌘ 2020 Challenge/Priority
(more than one represents a tie)

are priorities with very different impacts.

I selected the agent theme because of how boldly the attrition challenge jumps out, and what I see and hear every day in our industry. It's an exciting time for technology, and the top priority shows there is a lot of hope placed in self-service (perhaps too much, especially by anyone who thinks they can just get rid of agents!). Improving self-service could take some of the burden off agents, especially for more routine informational inquiries and transactions, and for authentication. That's the indirect impact on the agent experience. Now look at the rest of the top priorities and you can see a direct line to improving the agent experience through coaching, process improvement, a variety of tools, and training.

PRIORITIES BY INDUSTRY

Self-service is a consistent priority for many industries. It was selected by over 40% in government and insurance. Employee engagement was more variable across industries, ranging from zero to 43%. Another priority with consistency was process improvement, chosen by 20%-40% of respondents in eight industries. No single priority garnered 50% within a vertical.

Some other numbers that jumped out were these verticals where over 30% agreed on these top priorities:

- Healthcare—desktop, process improvement, self-service
- Education/Non-profits/Associations—collaboration with other departments, awareness of the center's role, reporting and analytics
- Government—recruiting and hiring, self-service
- BPOs—AI, employee engagement

FIGURE 5: Most Important Goal for 2020

OVERALL, WHAT WOULD YOUR CONTACT CENTER LEADERSHIP SAY IS THE MOST IMPORTANT GOAL FOR 2020?

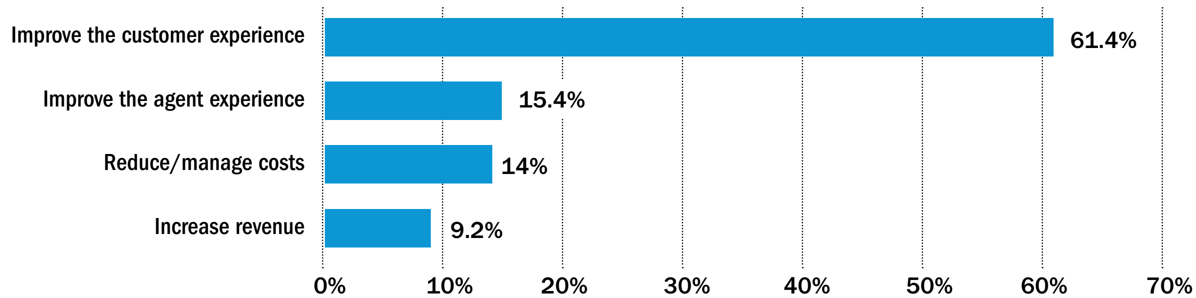


FIGURE 6: Goal and Challenge Alignment

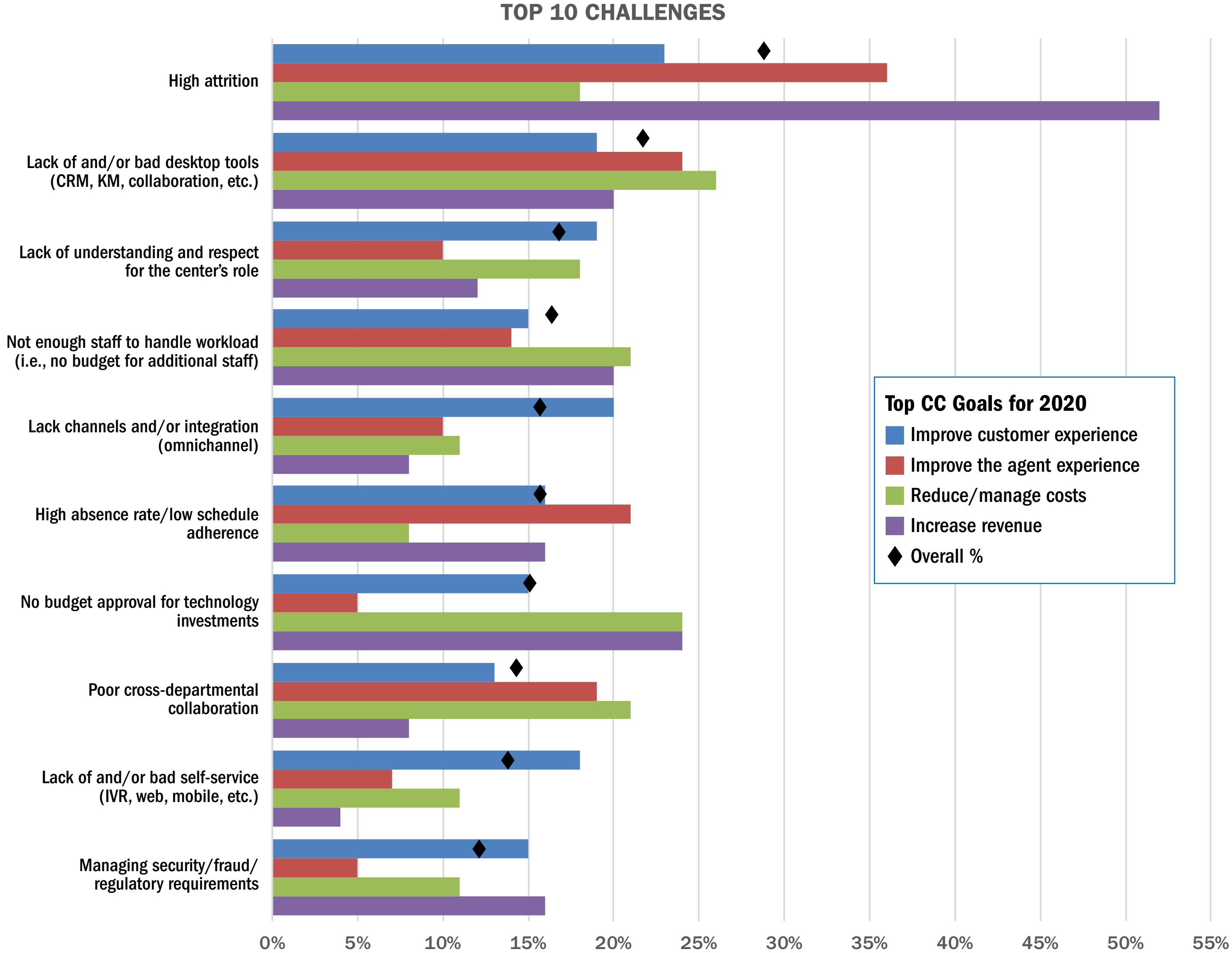
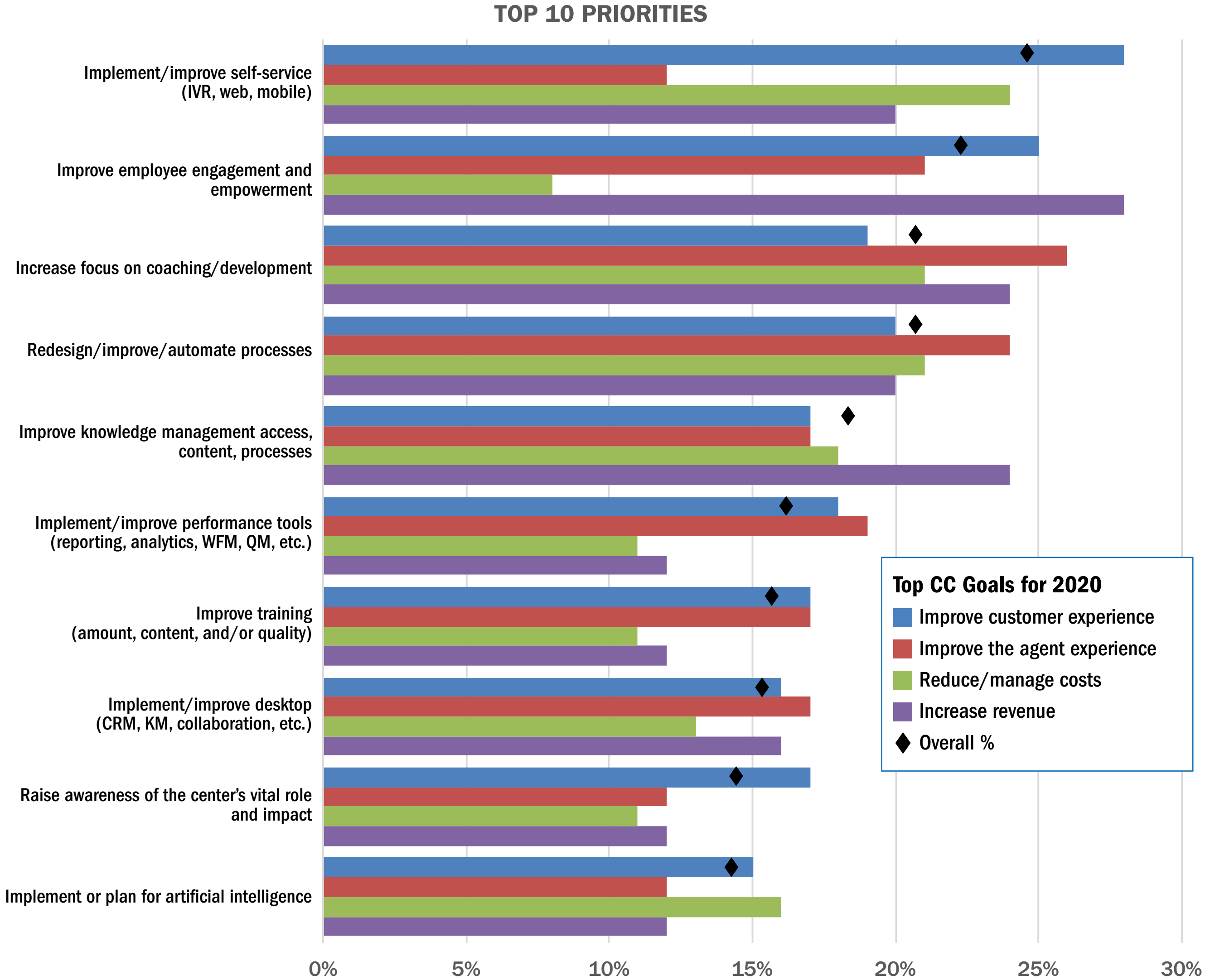


FIGURE 7: Goal and Priority Alignment



- Consumer Products/Retail—self-service
- Insurance—self-service, performance tools, knowledge management
- Telecom—self-service

I will highlight one more priority not because of its absolute number but because it had the most movement up (**SEE TABLE 3, MOVERS AND SHAKERS**). Authentication and fraud prevention, and security and regulatory requirements, are increasingly difficult for centers to address. That priority moved up over 5 percentage points to be cited by 12.4% of participants (and 17%-20% of consumer products, financial services and telecom). Where it wasn't high (e.g., healthcare, insurance), I would argue the challenges are growing but perhaps it just hasn't made it into the top three… yet.

TABLE 1 lists the top priorities by industry (where we had 10 or more inputs) and the color-coding shows trends across the years. The staying power of self-service is evident in some verticals.

PRIORITIES BY SIZE

Our top two priorities overall are both consistently high across sizes. Self-service is above 17% in each band and up to 43% in the 251-500 band. Employee engagement has one gap, in the 251-500 range (at 5%); the rest are above 17%, with the highest band 501-1,000 seats showing 31%. Process improvement is the only priority that is above 10% for all bands besides self-service, and it goes up to 35% for the largest centers. The highest consensus group is the 251-500, where 43% chose self-service and 28% chose artificial intelligence.

Here are some other interesting notes by size:

- In line with the challenge, the smallest centers (less than

TABLE 3: Movers and Shakers Reveal Volatility

Here are the interesting comparisons we see in the results from our 2020 survey compared to 2019. The overall theme is ***volatility***. Many things that were up last year are down this year, and vice versa.

CHALLENGES		
THEMES	MOVEMENT UP THE LIST	MOVEMENT DOWN THE LIST
✓ Attrition didn't just move, it leapt—up 8.5 percentage points ✓ The increase in performance challenges is undoubtedly compounded by attrition ✓ In line with the movement on priorities, the performance tools are less of an issue	↑ Attrition ↑ Poor performance on KPIs ↑ Lack of support resources ↑ Lack of understanding and respect for the CC's vital role	↓ Performance tools ↓ High abandon rate ↓ Poor cross-departmental collaboration ↓ Not enough staff
PRIORITIES		
THEMES	MOVEMENT UP THE LIST	MOVEMENT DOWN THE LIST
✓ Many participants are financial services and the security/fraud challenge is making it to the top of their lists ✓ AI is starting to move up in priorities, perhaps reflecting reality catching up with hype ✓ The fundamentals of routing and reporting are not on as many priority lists, perhaps reflecting a new maturity level	↑ Address security/fraud requirements ↑ Implement/plan AI ↑ Increase focus on coaching/development ↑ Implement additional media (omnichannel)	↓ Improve reporting/analytics ↓ Improve routing/skills ↓ Improve performance tools ↓ Improve employee engagement and empowerment

25 seats) have a high rate of prioritizing raising awareness of the center's role and impact (22.1%)

- In line with another challenge, the biggest centers (1,001+) most frequently noted that they need to prioritize omnichannel (26.1%)
- AI was chosen more by higher size bands (101 and up), except for the 501-1,000 band
- Training seems to be of higher interest for smaller centers (under 250), with the three smallest bands showing 18%-21% chose that priority

TABLE 2 shows the diverse and changing priorities by size.

BONUS QUESTION: ALIGNMENT WITH TOP GOALS

We added a bonus question this year: "Overall, what would your CC leadership say is the most important goal for 2020?" FIGURE 5 shows the goal choices, with improving customer experience a strong preference. While this doesn't support my "year of the agent" theme, I will still argue we are at a pivot point, and it's good to look at what these results tell us. I can't wait to see how they evolve!

We sliced the challenges and priorities by those goals to see if they aligned—which we find they did… mostly! FIGURES 6 AND 7 share the results for the top 10 challenges and priorities overall. With the customer experience bucket dominant, it most strongly aligns with our overall results. Here are some interesting finds and a few thoughts about the goal focus results:

- With those who chose customer experience as their goal and selected Improve Self-Service as the most dominant priority, a caution is in order. That self-service pursuit better be done with a focus on the customer (e.g., careful design and testing—with real customers!) rather than to deflect live contacts or contain contacts within the apps. Yes, a good customer experience occurs when customers can succeed in self-service, but the applications also must be easy to use and easy to exit to an informed agent.
- Items outside the overall top 10 that jump out for those with goals *other than* Improving Customer Experience are:
  - Lack of support resources or know-how
  - Increasing/high costs
  - Lack of and/or bad core technology (routing, reporting, CTI)
  - Lack of focus on coaching/development
  - Lack of and/or bad performance tools (QM, WFM, analytics, etc.)

FIGURE 8: **Alignment of Challenges and Priorities**

CHALLENGES

PRIORITIES

- For those focused on **agent experience**:
  - Attrition is a pain point for a high percentage (36%), as is absence/adherence (21%)
  - Coaching and development and process improvement are top priorities to improve the agent experience, not self-service
  - Many struggle with the lack of support resources and core technology
  - Compared to the overall results, a higher percentage prioritize recruiting/hiring (19%) and performance management practices (14%); and a lower percent prioritize self-service (12%)
- For those focused on **reducing/managing costs**:
  - As expected, increasing/high costs is a big challenge for 18% of this group
  - Their top priority also aligns: 26% chose "staff properly to match workload"
  - Incorporating new staffing approaches also ranked high (18%)
- For those focused on **increasing revenue**:
  - This group was influenced by the BPO vertical (32% of the respondents that chose this goal), thus showing a very high percentage (52%) noting attrition as a top challenge
  - They see empowerment, coaching, and knowledge management as strong tools to help them achieve their goals
  - Self-service is understandably less important; rather, they are pursuing omnichannel, better hiring and staffing, and performance management to address their challenges (which include increasing/high costs for 20%)

ALIGNING CHALLENGES AND PRIORITIES

I like visuals and I like to compare! **FIGURE 8** shows a word cloud view of the challenges and priorities, and **TABLE 3** shows our "movers and shakers." As I mentioned in our theme, I think we can draw some pretty good lines between the priorities and our strong top challenge. Many things can impact attrition and I've recently written about how technology can help with employee engagement (see Want to Improve Employee Engagement? Technology Can Help!, Tech Corner, *Pipeline*, December 2019). There are many interdependencies and perhaps the biggest opportunity is for centers to develop a concerted effort to tackle attrition through engagement, coaching and development, process changes, and better use of technology. The bottom line is agents want to succeed, and when they do, they feel better about their role.

The other alignment element I like and see as an improvement is the higher prioritization of raising awareness of the center's vital role and impact. Every year the strategic challenges of lack of understanding and respect and poor cross-departmental collaboration rate higher than the corresponding action. I have hypothesized that it feels like a problem that can't be solved. Maybe centers are finally starting to see this can be tackled and it's worth a try.

Two notable disconnects on alignment are that poor self-service ranks No. 10 on the challenges (14% picked it) and No. 1 on the priorities (24%), and the bad desktop was noted as a challenge by 21% to come in at No. 2 but is down at No. 8 on priorities (15%). The misalignment and percentages are similar to last year.

I like to close on a note that ties into my theme. Maybe next year when we ask about top goals, agent experience will move up. I would be thrilled to see attrition fall off its perch at the top of the challenges. If employee engagement moves down the list, let's hope it is because things are better, and we're focusing on other priorities. That's my 2020 vision.

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