ACHIEVE CONTACT CENTER GOALS THROUGH STRATEGIC SYNERGY AND REALISM

To get funding, align technology, business and operations strategies, and show how the technology can deliver.

By **Brian Hinton,** Strategic Contact

Contact Center
pipeline

Pipeline Articles
www.contactcenterpipeline.com

Brian Hinton
Strategic Contact

TECHNOLOGY IS the great enabler for contact centers to achieve their operational goals for service effectiveness and efficiency. So why are so many contact centers struggling with outdated technology and technology gaps? Why can't they get funding approval?

The contact center continues to "make do" and perform admirably, but it could do much better with the right technology. To fund contact center projects, decision makers must see a synergy between their business goals and the contact center goals. Moreover, contact center leadership must be practical and realistic in their expectations. The capital budget is not a bottomless pit. Realism demands setting priorities and always being ready for the next step in project approval.

Align the Strategy Triumvirate

Contact centers must synchronize business strategy, the contact center operations strategy, and the contact center technology strategy to build credibility for technology project prioritization. Business strategy refers to how the business generates profits sustainably for its stakeholders. It examines opportunities for increasing revenue, such as increasing accounts, members, product sales, etc. It addresses competitive differentiators such as product, price or service that help to sustain or protect revenue. And it seeks to establish operational advantage that delivers superior efficiency and/or wards off competitive incursion.

The contact center operations strategy refers to the work required in the contact center to support the business goals. Elements such as the contact volume associated with current business and growth, the resources (staff and budget) required to handle the workload, the types of contacts, the skills required to handle the contacts, and the plans for reacting to business growth or change and improving efficiency and effectiveness are all part of the operations strategy.

The contact center technology strategy includes the roadmap of systems and applications required to enable the contact center to achieve the defined business and operations goals. The contact center should also align the technology strategy with the IT strategy for technology sourcing, support, integration, data sources, etc.

Misaligned strategy usually means that the relationship between the contact center goals and the business goals is difficult to define. For instance, strategies are not aligned when a contact center supports a premium product line with a goal of providing world-class service, but the contact center doesn't have the budget for tools to achieve service level goals. Strategies are out of alignment when business revenue goals include increasing contact center cross-sell/upsell with no funding for a CRM system and associated processes to "know" the customer and their value to and history with the company.

Strategies are aligned when you can readily map the relationship between business and contact center goals, and when the technology enables both. For instance, a business with a premium product line achieves world-class service and efficient growth through funding outbound proactive communications to better inform customers and reduce the need for incoming contacts. When strategies are aligned, the contact center budget is synchronized with plans for business growth and change. The center builds business cases for tools and receives a reasonable priority for funding.

Figure 1 shows how the strategies align and interrelate. Ensuring strategic alignment is the first step toward achieving the contact center goals and ensuring that the contact center has the tools needed for efficient, effective goal achievement.

Business Strategy

Operations Strategy

Technology Strategy

Synergized, interrelated strategies, **Figure 1,** *above*

Choose the Right Technology Projects

Regardless of how "good" your current performance and tools are, the business environment is always changing. Ultimately, there will be requirements for new technology. The needs are typically greater than the available funding, so you have to prioritize so decisions makers aren't overwhelmed and left to sort through the options themselves. The contact center leadership establishes trust by ensuring that their requests are for the "right" technology: those that tie directly to the business strategy and drivers (e.g., increase revenue, improve service or cut costs). That alignment also ensures that you can build a business case with direct links between the funding request and the defined goals.

Define Strategically and Plan Tactically

I'll use some examples to illustrate how strategic alignment leads to proper tactical planning. When the business strategy is to maximize revenue growth, focus on technologies that enable sales, cross-selling and customer retention, such as knowledge management (KM), customer relationship management (CRM), proactive outbound, etc. When the business strategy is to cut

Table 1: *Examples of strategic and tactical synergy*

Example – Strategic Alignment

Strategy Component	Revenue Growth Business Strategy Example	Cost Reduction Business Strategy Example
Business Strategy	▸ Best sales and service ▸ Customer focus ▸ Attract customers who value personalized service	▸ Cost reductions ▸ More efficient sales and service delivery ▸ Increase margins ▸ Maintain differentiation
Business Drivers	▸ Be preferred provider (loyalty, "wallet-share" or "closet share") ▸ Grow high-value customers	▸ Lower operating costs ▸ Deliver service equal to or better than competition (based on key metrics)
Operations Strategy	▸ Provide differentiated service ▸ Have customer-focused processes (efficient, but not time driven) ▸ Have customer-focused metrics (e.g., customer sat, FCR) ▸ Offer media choice, 24x7	▸ Reduce costs (e.g., lower handle time, lower live call volumes) while improving/optimizing service ▸ Expand self-service ▸ Expand proactive service
Technology Strategy	▸ Multimedia routing, reporting, and view of customer interactions ▸ CTI-enabled CRM, with integrated KM (across channels) ▸ Skills and data-directed routing ▸ Performance optimization and analytics (speech, text) ▸ Personalized scripts tied to customer relationship, opportunity ▸ Self-service with ASR, personalized applications ▸ Quality monitoring with screen capture ▸ Customer satisfaction surveys ▸ Premise sourcing with IT ensuring quality and reliability, and business enabled to administer day-to-day changes	▸ Synchronized and expanded web and IVR self-service ▸ Proactive outbound notifications ▸ Knowledge management to support web FAQs, suggest responses for web chat and email, reduce live agent handle time, and optimize FCR ▸ Cloud sourcing to reduce IT resources required for ongoing support and maintenance

costs to maximize margins, focus on technologies that will help you gain efficiency, especially in the labor pool (it's two-thirds to three-fourths of the operating cost based on modeling we've done: see http://www.strategiccontact.com/download/wp-cost-structure.asp). Examples include workforce management (WFM), computer telephony integration (CTI), interactive voice response (IVR) or other self service, KM, etc. When the business strategy is to improve customer service, focus on technologies that will optimize quality and the customer experience, and enable you to show improvements such as multichannel routing and reporting, voice of the customer surveys (VoC), quality monitoring (QM), analytics, etc.

Table 1, above, gives two examples of defining projects through aligned strategies. The business strategies and drivers create the need for technology. Table 1 also shows that effective, synergistic planning requires that the contact center explicitly define the tactical plan to achieve the stated goals. Be specific. Highlight the technology additions/purchases as well as the process and people changes (or impacts) to show you are not just buying the next cool thing. Establish credibility by prioritizing the contact center requirements, making it clear how to achieve the most "bang for the buck." Include project phasing considering other resource and time demands and your ability to absorb and sustain change. Your priorities may challenge corporate perspectives on what is important, so you need good data to back up your request. You can heighten credibility by showing how the contact center's plans consider other related corporate initiatives in IT, Marketing, Product Management, etc.

Table 2: *Project Opportunities that can deliver value with example potential impact represented by one, two or three dollar signs*

Project Opportunities in the Contact Center	Increase Revenue	Drive Efficiency	Improve Service
Analytics	$	$	$$$
Business Process Optimization	$	$$$	$$$
Cloud CC Technology	$	$$	$
CRM	$$$	$$$	$$$
Expanded Performance Tools	$	$$$	$$
Home Agents	$	$	$
KM/Wikis	$$	$$$	$$$
Managed Support Services	$	$	$
Mobility Applications	$$	$$$	$$$
Monitoring & Testing Tools	$	$	$$
Multimedia Routing and Reporting	$$	$	$$$
Proactive Outbound Communication	$$	$$$	$$$
Scorecards/Dashboards	$	$$	$
Social Media	$	$$	$$$
Unified Agent Desktop	$$	$$$	$$

Build a Credible Business Case

Whether required to submit a formal business case document or support funding requests through a high-level executive presentation, part of a professional technology project request is a quantified, credible business case. It includes the following steps.

First, define the current state on which the technology change will have a positive impact. Determine how the contact center supports and/or maintains revenue, whether through a direct relationship such as sales/fulfillment or an indirect relationship such as when excellent customer service drives customer retention. Relate the contact volume that supports/maintains revenue to the number of accounts, members, products sold, etc. Forecast future volume based on business plans for growth in accounts, members or products sold and ultimately revenue growth plans. Project the resources required to meet future requirements based on the current state of operations.

Next, quantify the project costs and benefits. Ensure that you include all costs from four perspectives: initial, ongoing, internal and external. Avoid a simplistic approach to quantifying benefits, such as giving up 10% of the labor budget to obtain project funding. If your business is growing, show how the center can accommodate the increase in volume without a commensurate increase in resources. Be specific about how you will realize savings (e.g., lower AHT, specific process steps that will be eliminated or shortened, specific contact types that will be avoided by decreasing the volume of agent-handled contacts through self service, proactive information or FCR).

Finally, create project success metrics to show how you will monitor progress and realize success.

Be Realistic and Explore Other Options

However credible the planning, there probably won't be enough funding to address all of your projected needs. Explore other options to demonstrate your capacity to deliver business benefits in the "real" world.

Explore Underutilized Technology

Optimizing current technology can be a way to close technology gaps. Contact centers often implement technology into an "as is" process environment to speed up the implementation timeframe and to minimize the demands on internal resources. Typically, the plan is to achieve business value in Phase 2, but Phase 2 is delayed because those same strained resources are still fighting fires or pursuing the next project.

Many applications, such as analytics, CRM, WFM and reporting, don't deliver value without the staff to manage and apply them. When those dedicated, trained resources aren't available due to funding constraints or staff departures, resource gaps compromise technology value.

Another option is to expand the value of existing technology by adding enhanced applications or components. Cloud options can be a "simple" implementation with less drain on internal resources. (For suggestions of technology optimization opportunities across a variety of applications, see "Optimize Current Technology," at http://www.strategiccontact.com/pdf/Optimize_Current_Technology_Table.pdf)

Drive the Priorities
by Mapping "What" to "Why"

One of the ways to lose credibility is to over-ask for technology such that all requests get lumped into a "someday when we have funds" pile. Internal prioritization is crucial to getting approval for required technology change. List the projects you are considering. Define the value of each against the "big three" goals:

- Increase revenue
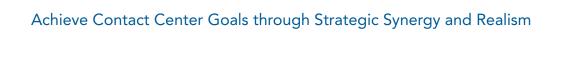- Drive efficiency (aka lower costs)
- Improve service

Table 2 gives an example of what we see as current trends in technology that have the most potential value. The number of dollar signs ($) show the relative potential across technology options. These are just examples. Define the scores for your contact center and your business. Use this scoring to prioritize, but also discuss with decision makers as they may have a different perspective that is driving their approval decisions.

Nothing Against Optimism, But…

When it comes to securing budget, being a realist may be a strategic advantage. A shotgun approach can leave you at the mercy of others in prioritizing and decision-making. A laser-focused approach that ties your (prioritized, limited) technology strategy to the business and operations strategy, and shows how that technology can deliver, will help you secure the funding you need. With a methodical approach, you are in the driver's seat and on your way to achieving your center's goals. ⓟ

Brian Hinton is the Principal Consultant for Strategic Contact.

✉ brian@strategiccontact.com
☎ (706) 310-0544

About Contact Center Pipeline

Contact Center Pipeline is a monthly instructional journal focused on driving business success through effective contact center direction and decisions. Each issue contains informative articles, case studies, best practices, research and coverage of trends that impact the customer experience. Our writers and contributors are well-known industry experts with a unique understanding of how to optimize resources and maximize the value the organization provides to its customers.

To learn more, visit: www.contactcenterpipeline.com

Online Resource

This issue is available online at: Jan 2013, Contact Center Pipeline

http://www.contactcenterpipeline.com/CcpViewIndex.aspx?PubType=2