



# **A PROVEN STRATEGY TO RELIEVE CONTACT CENTER PRESSURE AND RISE ABOVE THE PERFORMANCE PLATEAU**

**Proactive, intelligent communications solutions via Software as a Service help centers  
take the next step in operational effectiveness and competitive differentiation**

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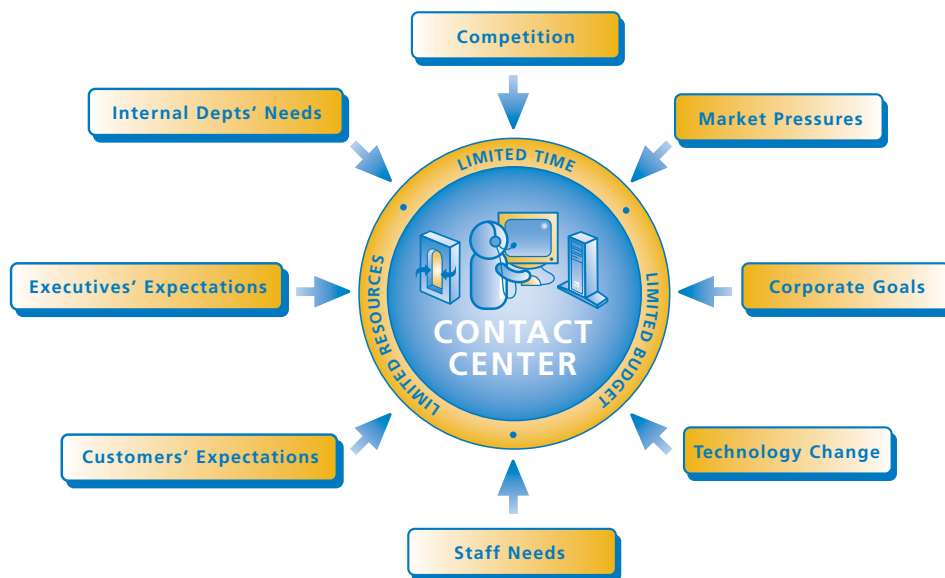
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Every interaction is an opportunity for a contact center to do more for its customers and its company. Yet many centers struggle to take the next step in improving cost efficiency, optimizing operational effectiveness, and creating positive revenue impact. Too many improvement initiatives compete for too little time, resources, and money. Many options have high thresholds to get started or introduce too much pain in implementation to make them worthwhile. Further, when companies do implement new capabilities – whether focused on people, processes, or technology – they often get results that do not match expectations, or take too long to show real impact.

We need a change in thinking and approach to help centers rise above their performance plateau. Business leaders are looking for innovative – and attainable – ways to get more out of their centers with quick pay back and quantifiable results. Proactive, intelligent, automated communications solutions delivered via Software as a Service (SaaS) can help centers meet their goals and get more out of their technology and human resources.

**TODAY'S CONTACT CENTERS FEEL GREAT PRESSURE**

Customers, competitors, market dynamics, and a challenging economic climate pressure today's centers from outside. At the same time, internal groups pressure the center to do more and deliver more.



**EXTERNAL PRESSURE COMES FROM CUSTOMERS, COMPETITORS, THE MARKET, AND THE ECONOMY**

When asked the question "Are you a tougher consumer than you were five years ago?" people resoundingly respond "Yes!" We all interact with many companies, and do so with less time and patience, and with higher expectations than ever before. We want companies to be accessible, to deliver personalized, even proactive service *right now* in our media of choice. We want every interaction to provide useful information, add value, minimize the

burden on us, and offer ways to resolve issues quickly. And we want access to a full range of services whether we're sitting in our homes or offices, or roaming cities and the countryside with our mobile devices. Every interaction – be it stellar or painful – contributes to our expectations.

Competitors – whether direct or indirect – play a role in influencing customer expectations. Service excellence has become a strategic weapon in today's marketplace. It is a rare company that does not have some version of "Enhance customer service" in their strategic goals. To improve the customer experience, companies must offer better and different services. They need to get the call answered more quickly, deliver the call to the right person, and put information about the customer and their needs at the customer service representative's (CSR's) fingertips in order to optimize first contact resolution. They need to offer self-service and assisted service for those who prefer it, with web, voice response, email, chat, Short Message Service (SMS), and other channels. And they need to package the service offerings for convenient access by mobile devices.

As if the pressure from customers and competitors isn't enough, many companies must adapt to major sea changes in their core markets. Given sweeping changes in federal legislation, healthcare is a prime example of an industry under siege. Telecommunications providers adapt to the latest FCC rulings, PCI compliance and HIPAA create pressures for a variety of companies, recalls impact manufacturers of a variety of consumer goods, and even Mother Nature can seem to be changing the game. Major shifts in technology, demographics, international trade, natural resource availability, and the like can be as daunting. Moreover, in the wake of a worldwide economic downturn, everyone seems to be working harder, faster, and leaner – and, we hope, smarter – to survive. Economic recovery will come, but "business as usual" will look a whole lot different.

## **INTERNAL PRESSURE COMES FROM ALL DIRECTIONS**

Even as these external pressures bear down on today's centers, internal pressures are building. Executives exert pressure from the top down as they recognize the strategic value of their contact centers. They expect centers to make substantive contributions to corporate goals, such as increasing market share, improving customer retention, and/or becoming their industry's lowest cost producer. Too often, executives have limited understanding about contact center operations, technology, and the challenges of meeting corporate requirements while chasing the elusive "best-in-class" standing.

Pressure comes from the sides from marketing, sales, product management, engineering, and other areas. The center supports their needs by gathering critical information, analyzing trends, promoting new products or services. Many place demands on the center without understanding the implications. For example, a small request to ask customers a question or populate some information may add "only" ten to fifteen seconds a call, but those few seconds could translate to thousands of dollars in incremental labor costs, or create a service compromise that few would be willing to accept. Being responsive to the needs of other parts of the business comes at a cost, and someone must foot the bill, or find a better way.

Pressure is also coming from below in most centers. Supervisors and CSRs are stretched thin, yet management continues to ask for more with little or no incremental resources. Supervisors struggle to find time for employee training, coaching, and skill development given increased numbers of employees to manage. CSRs want to be effective on the job, appreciated for their contribution, and poised for advancement but may be accorded less time for training and have less one-on-one time with supervisors. These influences can have a negative effect on morale and may impact the center's ability to retain top tier employees.

## **INFORMATION TECHNOLOGY IS UNDER PRESSURE AS WELL**

The pressures already outlined focus on the contact center, but there is another key area that is under tremendous pressure: Information Technology (IT). They've always faced the challenge of addressing their organization's voracious appetite for cutting edge systems and applications while sustaining a broad array of legacy investments. But with today's seismic shifts in core communications and information technologies, many IT departments are scrambling to sustain an increasingly complex infrastructure with the myriad of vendors that play a part in it. The complexity and diversity would be enough of a challenge, but the situation is compounded by lean organizations with many items on the priority list, creating potentially long waits for critical business functions.

In the contact center alone, the advent of Voice over Internet Protocol (VoIP) and the applications infrastructure that goes with it wholly re-writes the rules of engagement for provisioning, monitoring, and sustaining the high quality, high availability voice and data connections that are the life-blood of any contact center. Meanwhile, Call Routing, Computer Telephony Integration, Knowledge Management, Customer Relationship Management, performance and analytics tools, and more demand seamless integration. At the same time, IT finds itself in need of supporting an ever-widening spectrum of media, communications services, and devices for use internally and externally. This "perfect storm" of technologies poses challenges to even the most seasoned IT professionals.

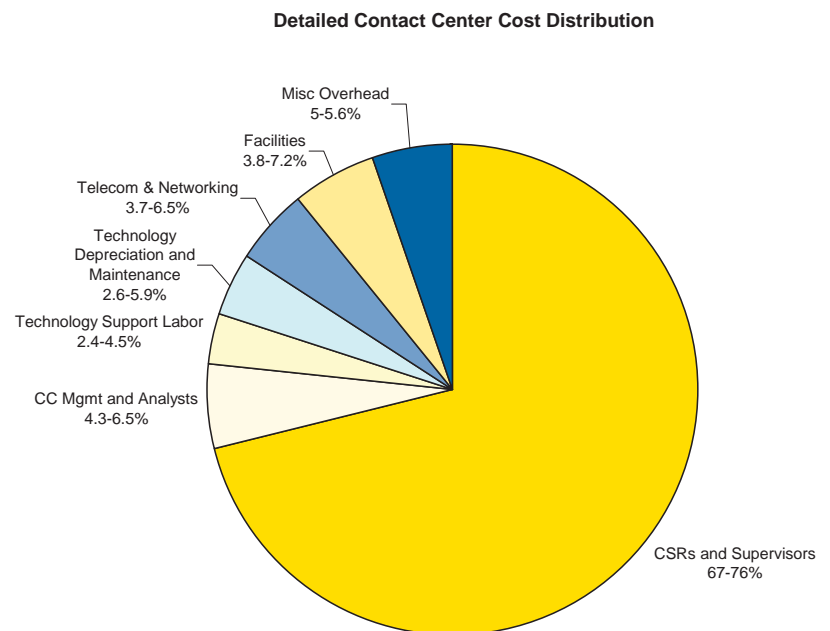
IT must also consider new venues for service delivery to their end users. Outsourcing, SaaS, and on-demand solutions are poised for growth. They influence where and how IT staff spends its time, and potentially shift the balance of power on applications expertise. SaaS solutions can relieve some of the pressure on IT by demanding less time, resources, and money to deliver applications capabilities, and by providing specialized knowledge for focused applications. To succeed with SaaS solutions, a company must assess its partner's capacity and capability to develop and deliver applications, and manage and maintain them to the standards of in-house IT... or better.

## RELIEVING THE PRESSURE

The key to relieving the pressure is to find the changes that will truly drive efficiency and effectiveness. People, process, and technology must be factored into the equation. Strategic Contact modeling of contact center costs shows that CSR and Supervisor wages and benefits comprise 67-76% of costs in a typical contact center,<sup>1</sup> confirming the prominent role staff efficiency plays in any operations improvement initiative. Good processes ensure customer satisfaction, best-in-class service delivery, and efficiency in staff use and contact handling. Technology is the enabler. People use the technology and processes to achieve the results. Without due consideration of people and process, the technology cannot make a positive impact, and may even produce negative results.

An approach that achieves all these goals while taking the center farther, faster is proactive automated communication solutions delivered via SaaS.

A proactive solution does exactly what is expected: anticipate needs, reach out with appropriate information, and execute transactions that serve the customer and the company well. "Automated agents" keep calls out of the center through self service, or bring qualified calls into the center for improved assisted service. In either case, they reduce the cost of the interaction (for efficiency gains), deliver better service to the customer through proactive information management and intelligent, customer-specific communications, and create time for CSRs to focus on the most important, high value transactions. Moreover, automated agents can work through the media of choice for the customer – phone, email, PDA – for personalized and intelligent information delivery and access.



<sup>1</sup> See Cost Structure and Distribution in Today's Contact Centers by Lori Bocklund, President, and Brian Hinton, Principal Consultant of Strategic Contact dated March 2008. Available at <http://www.strategiccontact.com>.

## EXAMPLES HIGHLIGHT THE OPPORTUNITY TO RISE ABOVE THE REST

Here are some examples of how proactive, intelligent communications solutions help contact centers meet business goals:

- **Enhance collections.** Any industry with regular billing cycles – e.g., public utility, credit card, home mortgage – has the challenge of getting customers to pay their bills in full and on time. Contact centers have traditionally participated in securing past due payments through outbound calling, many using inefficient, manual processes in lieu of investment in specialized technology. Some companies simply outsource the collections function. Costs are high in either case. A proactive automated communication solution can make contact with customers *before* they accrue late penalties and/or lose their service. This notice can eliminate expense and hassles for customers – thereby boosting their satisfaction – and help companies accelerate payments and minimize costly disconnects or other relationship terminations.

- **Reduce low value contacts, while solidifying relationships.** Of course the best way to cut costs in the contact center is to reduce interactions with customers. Unfortunately, all those savings might result in customers going away! But there's little harm (if any) in minimizing low value contacts – those mundane, routine, often purely information contacts. "Did my order ship yet?" "Last time I called the product was backordered – I wanted to see if it is available yet." "I need to confirm the appointment time – I can't remember when the technician is coming."

"Did I get my upgrade?" "Is my flight on time?" All of these interactions are commonplace, yet add little direct value to the relationship with the customer. Further, they are dull work for CSRs. A proactive automated system calling to let the customer know about this important yet routine information can have a "wow" factor for customer service, while keeping costs down and even potentially driving additional revenue. It's a true relationship builder in its proactive and personal nature, and may influence the next purchase this customer makes. Customers can opt in and select preferences for such communications (as I do with my bank and airlines – and I love it!). They can even forward information or ensure that others are informed when that flight is delayed, or that important package for someone's birthday has shipped on time.

- **Enhance service while protecting a customer's (and the company's) assets.** An unfortunate fact of life today is fraud. Credit cards, cell phones, and bank accounts are vulnerable to identity theft and fraud activity. It is extremely important for customers to know that their providers are watching out for them, and will take action if something is amiss. But customers

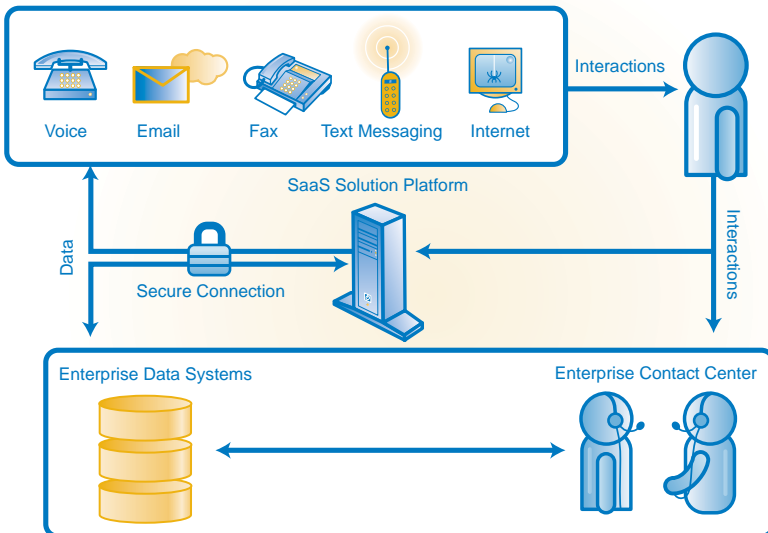
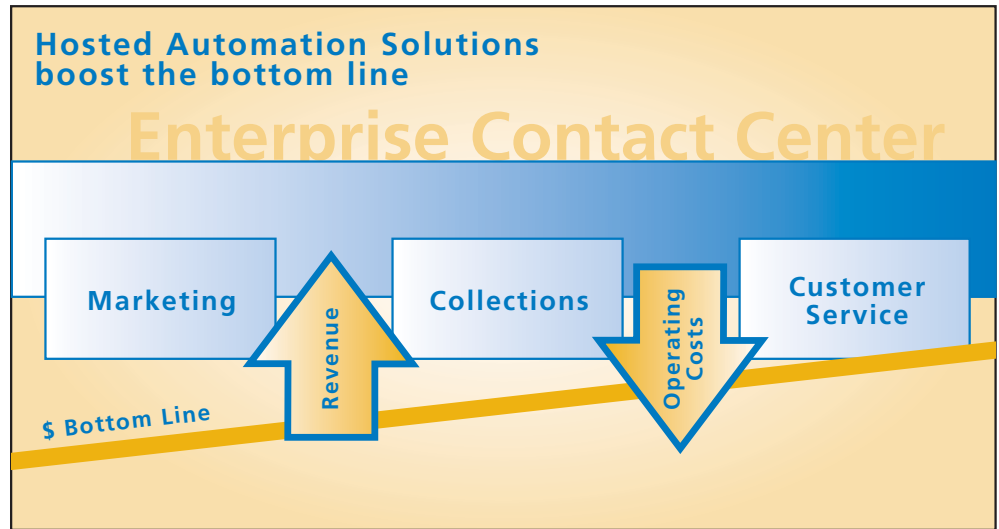
## THE SOFTWARE AS A SERVICE OPPORTUNITY

Software as a Service (SaaS) solutions offer many potential advantages to IT and business users under pressure:

- Rapid implementation – SaaS solutions can be in place in weeks, not months (or worse!), and can therefore deliver return on investment more quickly
- State of the art technology at the time of implementation and going forward – the solution provider upgrades and evolves the solution continuously to meet market and customer needs
- Best practices applications – the vendor brings best practices and expertise to applications implementation, and tunes the application as new insights develop to optimize customer solutions
- Operations cost rather than capital cost – the structure of a periodic fee for services is attractive to many budget managers
- Little cost to prove value – hosting minimizes up front costs, including internal resource costs, so that the return on investment can be proven without great cost or risk
- Usage-based pricing – users can vary the number of ports, licenses, or transactions with its business peaks and valleys
- Reliability and resiliency – the provider delivers a "bullet proof" system to serve all its customers
- Scalability – the provider delivers a fully scalable solution, enabling users to ramp up quickly
- Extensibility – users can start with one application and add functionality over time
- Fewer support resources – the resource demands are lower up front for implementation, integration, and application development, and ongoing for operations and maintenance
- Consistent applications across multiple sites – SaaS solutions are oblivious to where your CSRs or infrastructure reside, and provide a consistent application for all users

can be frustrated if denied credit card use, only to find out the suspected fraud activity that suspended the card was in fact legitimate. A low-cost proactive contact can resolve any suspicious activity and ensure the customer is protected while also keeping them functioning with their services.

- Remind customers of important events.** Customers forget. Or they get busy with something else and fail to keep your company in the loop. A missed appointment can be an expensive endeavor if the truck has to roll a second time, or a valuable slot on the doctor's schedule goes unused. Failure to refill a prescription or have someone at home to receive an important delivery of time-sensitive medication can compromise health management. Failure to renew or reinvest can mean lost revenue. Proactive reminders and confirmations can optimize value for the customer and the company.



Some may look at these applications and think, "IVR" or "dialer" or "outsourcer," but these other approaches fall short of providing the intelligence of capturing and delivering on a customer's communication preferences, across channels. Further, the demands of such a project, including integration, can be great, and remember – IT is under pressure too. A hosted solution provider who targets these applications and brings the experience and expertise can accelerate delivery while maximizing success. The SaaS approach can also optimize the internal IT demands, offering integrations ranging from simple once-a-day file transfers to real-time data access. Companies pursuing such a project can start simple, and progress to more sophisticated and extensive applications and integration when ready.

## CASE STUDY EXAMPLES

Varolii Corporation is a leading solution provider in this space, and we profile some of their compelling case studies below. The table provides a snapshot of the impact deploying proactive communications solutions via SaaS has had on these companies and their customer relationships.

Company	Industry	Challenges	Solution	Sampling of results
Southwest Airlines	Airline	<ul style="list-style-type: none"> <li>Reach customers proactively when flights cancelled</li> </ul>	<ul style="list-style-type: none"> <li>Automated proactive notification of flight status and travel options with ability to transfer to a service rep</li> </ul>	<ul style="list-style-type: none"> <li>Every passenger on a fully booked flight reached within minutes</li> <li>Improved service levels at centers</li> <li>Increased customer satisfaction</li> </ul>
UPS	Package Delivery	<ul style="list-style-type: none"> <li>Reduce flood of inquiries about delivery status</li> <li>Increase first delivery success rate</li> </ul>	<ul style="list-style-type: none"> <li>Automated notice of impending package delivery</li> </ul>	<ul style="list-style-type: none"> <li>1+ million customers per month reached with personalized messages</li> <li>95% customer approval rating on message service</li> <li>Substantial improvement in first delivery rate</li> </ul>
Progress Energy	Public Utility	<ul style="list-style-type: none"> <li>Inconsistent communication with customers on work orders</li> <li>Poor customer satisfaction</li> <li>Minimal resources to effect change</li> </ul>	<ul style="list-style-type: none"> <li>Personalized, proactive outbound contact to notify customers when service order complete</li> </ul>	<ul style="list-style-type: none"> <li>Within 6 months, confirmed service activation notices rose from 22% to 79%</li> <li>Dramatic improvement in customer service ratings</li> <li>Modest implementation cost with minimal reliance on IT</li> </ul>
QualxServ	Computer/ Networking Installation & Maintenance	<ul style="list-style-type: none"> <li>Slow response to field service requests</li> <li>Labor-intensive outbound dialing</li> <li>Inconsistent message delivery</li> <li>Difficulty keeping pace with demand</li> </ul>	<ul style="list-style-type: none"> <li>Automated outbound customer contact upon receipt of service request</li> </ul>	<ul style="list-style-type: none"> <li>Immediate scalability</li> <li>85% of consumers reached within 5 minutes</li> <li>Higher revenue through increased field service appointments</li> <li>Reduced strain on contact center</li> <li>SLAs met consistently</li> <li>Complaints reduced by 50%</li> </ul>
Norm Thompson	Catalog retailer	<ul style="list-style-type: none"> <li>Reduce inbound order status calls</li> <li>Focus agents on sales</li> </ul>	<ul style="list-style-type: none"> <li>Proactive automated shipping notification, back order updates and returns acknowledgements</li> </ul>	<ul style="list-style-type: none"> <li>Reduced routine inbound service calls</li> <li>86% customer participation rate with 87% positive feedback</li> <li>35% interest in receiving monthly notices on specials</li> </ul>
Alaska Airlines	Airline	<ul style="list-style-type: none"> <li>Notify customers of flight changes</li> <li>Relieve burden on call center</li> </ul>	<ul style="list-style-type: none"> <li>Automated delivery of flight change information with option to confirm to speak with rep</li> </ul>	<ul style="list-style-type: none"> <li>66% cost savings per customer interaction</li> <li>Increased speed contacting passengers</li> <li>Call center activity focused on revenue-generating calls</li> <li>3-month ROI</li> </ul>
BOK Financial Corporation	Banking	<ul style="list-style-type: none"> <li>Scaling the overdraft servicing call center</li> </ul>	<ul style="list-style-type: none"> <li>Proactive notification to bank clients when their accounts are in overdraft</li> </ul>	<ul style="list-style-type: none"> <li>Rapid solution delivery</li> <li>Guaranteed outbound notifications to all clients without having to increase headcount – an increase of 2.25 calls per record</li> <li>Increase in NSF income retention</li> <li>75% reduction in dedicated overdraft service agents</li> </ul>
Exelon	Utilities	<ul style="list-style-type: none"> <li>Improve collections efficiency and effectiveness without increasing headcount or heavy capital investments</li> </ul>	<ul style="list-style-type: none"> <li>Proactively call customers prior to mailing a disconnect notice, providing seamless transfer to a payment IVR, driving customers to self-cure, rather than tying up an agent</li> </ul>	<ul style="list-style-type: none"> <li>Rapid deployment – 4 weeks</li> <li>80% more dollars collected per dollar spent than traditional agent/dialer approach</li> <li>Disconnect notices down 7%</li> <li>Promises to pay increased 117%</li> <li>Decrease in abuse by persistently delinquent customers</li> </ul>



## THE RESULTS

This paper began by looking at the challenges and pressures contact centers face. While there are many options for addressing the challenges and relieving pressure, these options generally have a high cost in time, money, and resources that most centers can't afford. To achieve tangible results in a timely fashion with low demands on precious internal resources and finances, SaaS-based notification solutions are an option centers should consider.

### POSITIVE RESULTS FOR THE CUSTOMER

The first result is delivering information that customers need in a timely, proactive manner using the customers' preferred media. This saves the customer time and hassle, and demonstrates the personal and focused attention customers expect. The best practices applied by the solution provider ensure a best-in-class customer interaction experience. The user interface, persona, integration, data capture, and use of enterprise customer data are optimized for your business, based on extensive experience with other applications and companies. All of this is truly managing the relationship with your valued customers, which as the saying goes, is "priceless."

### POSITIVE RESULTS FOR THE COMPANY

While the customers are the most important external asset, CSRs are the most important internal asset. With proactive alerting and notification, CSR time is used more efficiently and effectively. They handle challenging contacts for which they can add value. They get pre-screened and qualified

### A SIMPLE TOOL FOR ASSESSING YOUR OPPORTUNITY

Think a SaaS-based proactive, intelligent customer communication solution might be right for your center? Use this simple tool to assess your opportunity and take the first step toward getting more out of your center.

Answer each of the questions below and track the number of "YES!" answers:

1. Are you under pressure to do more with your center – enhance service, control costs, drive more revenue?
2. Are there inquiries and/or transactions that your center handles today that could be automated?
3. Would your CSRs be excited about removing some of the mundane tasks and focusing their time on more interesting, challenging, qualified, and productive interactions?
4. Do you have turnover, hiring, or staffing issues that leave you below desired capacity at times, or unable to work all the proactive outbound contacts you have (e.g., collections lists)?
5. Do you have spikes in traffic – daily, weekly, monthly, or seasonally – that are difficult to staff to meet service levels?
6. Is there key information your customers need to know, often urgently, and by delivering it proactively you could prevent a call and enhance service at the same time?
7. Do you have limited time and/or resources to implement the capabilities your business goals demand?
8. Do you need solutions that deliver ROI more quickly, with less investment up front?
9. Do you have outbound applications that you do manually today because you can't justify the cost of a dialer?
10. Do you handle some of the types of contacts highlighted in this paper – collections/ payment plans, fraud warnings, status updates, renewals, reminders or confirmations – and want to improve your success rate?

If you answered "YES!" to some of these questions, you are probably a good candidate for a SaaS-based notification solution. It is time to take action: Read some case studies of others in your vertical market or with similar applications. Get a demonstration of these systems, or set up a proof of concept. Build a business case. Determine where a hosted intelligent communications solution can relieve business and IT pressure, transform your center, and help achieve business goals.



contacts with the information they need to serve or sell to the customer. Productivity improves along with morale in the center.

Contact centers gain an application that trims their operating budget, improves the effectiveness of their staff, leverages the expertise of their solutions provider, and delights customers. Staffing costs for routine inquiries are reduced dramatically. They can focus their reps' attention on critical customer service functions and/or revenue-generating opportunities. The intelligence behind their solution provider's platform can determine when and how to make contact with customers based on their customers' preferences and behaviors. Customers are impressed when the company reaches out to them and keeps them apprised of crucial information. And with a lightened managerial load that comes from working with a trusted partner, contact center managers can focus their attention on matters of strategic significance.

IT is able to leverage the SaaS solution provider's expertise and best practices in the design, development, integration, and management of these specialized applications. IT can participate in the delivery of a high value business application with minimal use of in-house staff time. They gain the freedom to invest precious human resources in other initiatives that are important to the business and leverage their core competencies.

And while the contact center and IT are most directly affected by this innovative technology, their peers in other parts of the business can't help but notice the positive outcomes of these applications. The applications drive revenue, control costs, reduce risks, and gather or provide critical information.

The bottom line is that a SaaS-based proactive automated communications solution can deliver real business value: for your customers, your company, your contact center leadership and staff, and IT. Pressure relief is not far away in an application that can prove its value with relatively little internal effort, helping you get more out of your center quickly. Now that's an innovation to get excited about!