



**CONTACT CENTER '09:
Five Steps to a Lean, Customer-Centric Service Organization**

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EXECUTIVE SUMMARY

In times like these, the key to viability is customer retention which is dependent on the service you provide. Sales and marketing still have a lot to do but the contact center should be the focus of your retention initiatives since the majority of your customer interactions happen there.

This white paper shares five steps to creating an efficient contact center that costs less to operate but still exceeds customer expectations. The five steps are:

1. Empower Your Customers
2. Empower Your Frontline Employees
3. Offer Multi-Channel Choice
4. Listen to Your Customers
5. Engage Proactively

Want to increase efficiency without sacrificing service quality? You'll achieve this by empowering your customers to help themselves. There are two basic ways to do this: employ web and voice self-service, and leverage communities and forums.

The second step, empower your frontline employees, basically means giving your sales and service staff access to unified, real-time information. They'll need information on your customers as well as knowledge about your products and services.

The third step is to offer your customers multi-channel choice. Between mobile computers, smart phones, our digitally connected homes, and emerging social media channels, your customers are accustomed to contacting your organization where and when it's convenient for them. Don't limit their access to you by forcing them to use a channel because it's the most cost-effective for you.

The customer is clearly in the driver's seat today. That's why the fourth step, listen to your customers, is so important. Your customers will tell you exactly what they want and how they want it. You simply need to give them an avenue to provide feedback, then act on that information.

The fifth step is to engage proactively with your customers. If you leverage the knowledge you have about them and about your products, you can limit a flood of inbound service activity while making relevant cross- and up-sell offers.

Every journey begins with a single step. Let's take the first one.

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STEP #1 - EMPOWER YOUR CUSTOMERS

A good way to start reducing costs in your contact center is to automate the things that just don't need the cognitive capabilities of agents. According to Forrester Research, "The most significant imperative for contact center managers is to offset your high operational expenses by automating more customer transactions." (Trends 2009, Customer Relationship Management) Self-service interactions tend, in general, to be only about 15 percent of the cost of a live assisted call.

Self-Service

Start by talking to your agents. Find out what it is they are being asked and where they are not adding much value. These are the inquiries that you can provide answers to via an automated channel. You'll also improve agent morale by removing tedious incidents from their queue and giving them the chance to add value with more challenging engagements.

More and more products and services are being sold online so it makes sense that customers use this channel for their service issues as well. In fact, there is an emerging phenomenon known as The Boomerang Effect which is the result of customers seeking service from manufacturers regardless of where they purchased the item.

Let's say someone buys a Nikon camera through an online or big box retailer. In the past, the consumer would typically have purchased the camera from a specialty retailer that would also provide service and support when needed. Today, the consumer is going directly to Nikon with their service inquiries. We call this The Boomerang Effect because the customer is coming back to the manufacturer or parent company, not the retailer, for service.

Instead of managing a low volume of service calls from their resellers, Nikon now receives millions of inquiries from end consumers. That's quite a change in service behavior and the shift has happened quickly.

To eliminate email backlogs and long hold times, Nikon and thousands of other businesses now offer self-service to their customers. This is a cost-effective way for them to improve customer satisfaction. In fact, Nikon consistently scores over 95 percent customer satisfaction rates.

Many businesses have interactive voice response (IVR) self-service already in place. This is a step in the right direction but speech recognition technology has now advanced to the point where it's a better alternative than IVR. The benefit to speech recognition is that you can actually address more complex inquiries than you can with touch tone. The key is to invest the resources to write a great script so that it's easy for your customers to follow along.

Forums and Communities

Some of your customers know your products as well as you do and they are often willing to help their peers. No matter how great your brand reputation is, people implicitly trust their peers first.

As an organization, you can facilitate forums and communities. It's important that you contribute to the discussions, but don't try to control them. Your customers and prospects are there for peer support. You can learn a lot about what your customers think by being involved in forums and communities. The community will appreciate that you are listening and available to them.

STEP #2 - EMPOWER YOUR FRONTLINE EMPLOYEES

Take the agent efficiency one step further by empowering your frontline employees. You'll achieve this by channeling all of the information your agents need to one place, their desktops. Think of all of the communication channels you offer your customers: voice, web, email, chat, and face to face. Imagine the productivity gains if you centralized and integrated these channels.

The Knowledge Base

The best way to integrate all of this customer and company data is to centralize it. To do this, you'll want to create a dynamic knowledge base that acts as a hub at the center of your customer information gathering. Then, of course, you'll need to make that information available back to your agents in an organized way. Whether it's shipping information, credit card verification or Google Maps, you don't want your agents looking for information, you want it at their fingertips.

So how do you provide this knowledge to your frontline staff? The knowledge base you create should be dynamic enough to provide three functions; it should be able to gather information from multiple sources, organize that information, then make it accessible in the form of actionable knowledge. The knowledge base should also "get smarter" with each interaction. In other words, it should have self-learning capabilities driven by artificial intelligence. This will allow you to learn from the way your customers ask questions and more tightly align your knowledge articles with past customer interactions.

Contextual Workspaces

All of this customer and company data can be overwhelming, especially if you are a frontline employee trying to help customers on the fly. A great way to make this data easy to filter and sort is by presenting it to your agents in the context of what they are working on. We call this a contextual workspace. Using contextual workspaces, only relevant information is presented to your agents depending upon who they are talking to and what they are trying to accomplish.

Empowering your agents with a desktop application that includes contextual workspace functionality is like moving them from an analog to a digital cockpit. You don't have to worry about agents being distracted by the visual noise of instruments, gauges and dials that are not relevant to the task at hand. Instead, they can focus on relative and concise digitally presented information.

Whatever specific functionality you employ, make sure your agent desktops centralize data from every channel and provide access to a broad range of knowledge. Otherwise, you are adding complexity and overwhelming your agents with information. This makes them less effective and erodes customer trust.

Imagine a scenario where a customer first sends an email to your contact center and then follows up with a phone call. If the agent can quickly pull up the customer's earlier email, the customer won't have to repeat themselves, and you are saving the agent's time.

Now imagine that same agent being able to simultaneously view the customer's purchase history. This makes it easy for them to suggest a product upgrade that fits the customer profile, while at the same time, solving the customer's original problem.

Once your frontline staff is empowered with the access to the knowledge they need to help your customers, the next step is to ensure they can completely and consistently share that knowledge.

STEP #3 - OFFER MULTI-CHANNEL CHOICE

Today, customers expect you to offer a range of communication options—phone, email, website, chat, online forums and communities, fax, traditional mail, and in person. Many customers will use these channels interchangeably, so they must be integrated. This uses the multi-channel concept beyond just providing operational efficiency, it also provides customers with the kind of experience they have come to expect from every organization they do business with.

It's frustrating for customers if a phone agent doesn't have immediate access to information about a previous interaction. The customer can quickly move from frustrated to annoyed when they are asked to explain problems several times or when someone suggests a solution they've already tried.

Channel Unification

To eliminate this kind of frustration, all customer interactions must be handled in a unified manner. Everyone interacting with customers should be able to see all relevant previous exchanges regardless of channel or department.

Channel unification enables a consistent message. If, for example, a contact center agent provides information that is inconsistent with your website, your customers won't trust either source. Some customers may even try to take advantage of inconsistencies by contacting a company numerous times through different channels, attempting to get the answer they want—which may obligate your company to accept a merchandise return or provide a discount that is not consistent with official policies.

Channel unification also benefits your bottom line. The cost of each interaction depends, in part, on the channel used. A phone call handled by an agent is more expensive than one handled by voice self-service, and an email is more expensive than web self-service.

Sending customers to the best and most cost-effective channel is known as “right-channeling” and it benefits your customers as much as it does your organization.

STEP #4 - LISTEN TO YOUR CUSTOMERS

If you want to keep your customers, you must understand their opinions on everything from the quality of your products to the helpfulness of your website. This feedback should be guiding your organization in delivering outstanding experiences.

Many companies survey customers once or twice a year. But, discovering that a customer is dissatisfied about an incident that occurred six months ago gives you little, if any, opportunity to correct the problem now.

Moments of Truth

Ask your customers for their feedback, immediately or at the “moment of truth” and make it easy for them to respond. For example, you can automatically email customers a short survey after they have completed a service call, received an order, or ended a chat session. Requesting feedback at the “moment of truth,” typically drives greater response rates than traditional, periodic surveys.

Negative feedback is some of the most valuable information you can receive because it will reveal what you must improve. A company's willingness to uncover and remedy customer dissatisfaction will set it far ahead of its competitors. Develop a process for quickly addressing customer dissatisfaction. Rapid responses to customer problems often actually strengthens relationships and increases loyalty.

The strength of a company's brand and its business performance depends to a great degree on how well it understands and responds to customers. Consider tying compensation to customer satisfaction and also stay diligent—maintaining customer satisfaction is an ongoing effort.

STEP #5 - ENGAGE PROACTIVELY

Some service channels are less expensive than others, but, the least expensive way to solve a customer problem is to answer the question before it is asked. And, if you are able to tap into the knowledge you have collected about your customers, you can tailor a proactive service to be relevant and appreciated.

By reaching out to customers proactively, you may be able to uncover needs which can lead to new offerings and product improvements, both of which can add to your top line. Being proactive prevents downstream costs by addressing issues early before they become larger problems.

One way to provide proactive service is to leverage event triggered notifications. Using this process, an airline can alert specific travelers when bad weather threatens to disrupt their plans, a lawn service can let you know about a spring special at winter's end, and late deliveries or malfunctioning products can trigger an apology or discount coupon.

Another effective tool is proactive chat. With proactive chat, you can strategically offer agent support when a customer is looking at a particular web page or seems to be lost. Chat is also proving to be very effective at converting service inquiries into sales opportunities.

Once you begin to anticipate customer needs and preempt problems, satisfaction levels will rise, loyalty will increase and each customer will provide a greater lifetime value to your company.

NEXT STEPS

We've shared five key steps for getting lean and efficient while creating a better service experience. So what's next?

A good starting point is to identify areas that have the most significant impact. Where can you make the biggest difference, save the most money, and drive the most loyalty? Where are you experiencing the most pain? Do you suffer from agent attrition? Are you losing customers? Whatever your pain or area of greatest impact is, start with the strategy that addresses it first.

Then, start small and start soon. Don't get caught up in analysis paralysis. The sooner you begin, the sooner you will see results and can begin to leverage those results to move onto the next step.

Those who survive budget pressures by implementing initiatives that automate transactions, improve productivity, generate revenue and retain customers will be the most successful during this recession and will emerge as customer champions and heroes in their organizations. The next step is yours.

ABOUT RIGHTNOW

RightNow (NASDAQ: RNOW) delivers the high-impact technology solutions and services organizations need to cost-efficiently deliver a consistently superior customer experience across their frontline service, sales, and marketing touchpoints. Approximately 1,900 corporations and government agencies worldwide depend on RightNow to achieve their strategic objectives and better meet the needs of those they serve. RightNow is headquartered in Bozeman, Montana.

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