

INTRODUCTION

Last year, contact centers fast-tracked the tools and solutions that would enable them to support frazzled customers and remote workforces. Virtual agents, remote control/monitoring, cloud contact centers, text messaging, collaboration tools, and alerts and monitoring were some areas where rapid transformation took place. Now, with the end of the pandemic in sight, it's time to take stock of what we've accomplished and look ahead to the future. So, what must we do today to ensure our contact centers can keep up with customer demands, satisfy their expectations, and provide a quality customer and agent experience? In Q2 2021, ICMI sought to answer these questions.



Earlier this year, through a Q1 2021 research study surveying more than 300 contact center professionals, ICMI uncovered that 73% of contact centers plan to adopt a remote or hybrid workforce post-pandemic. In doing so, these organizations will have to grapple with the best ways to balance cost, quality of service, productivity, agent engagement, and business performance. This delicate balancing act will be the driving force for success in the years to come, which brings us to this study.

Our newest research suggests that the businesses best prepared to make remote or hybrid work successful are ready to invest in tools and technology to make the experience more seamless—for agents and customers. But what will those investments look like in the year ahead, and how will new technology shape the coming years for contact center professionals? We'll share our in-depth findings in this executive summary, including data that will help contact center leaders assess the current landscape and make a case for investments moving forward.

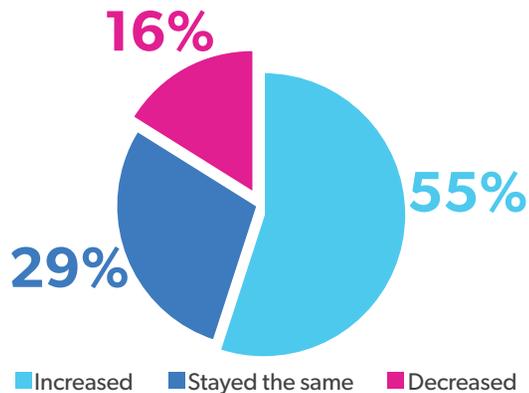
KEY FINDINGS

- **More than half of contact centers (55%)** have experienced an increased volume of customer interactions over the last 12 months, just outpacing the increase in contact complexity (47%).
- **50% of agents are expected to** support multiple channels as a formal part of their job responsibilities.
- **39% of respondents said legacy systems are a** persistent challenge for contact centers when understanding and responding to customer needs and expectations.
- **Legacy technology (51%), insufficient resources (43%), and staffing issues (44%),** and a lack of integration (full or partial) between digital and voice channels (37%) are the top challenges affecting the customer experience.
- **Tactically, contact centers are focusing on** automating customer-facing services and products (41%) and processes (36%), implementing technologies to enable proactive resolutions (38%), and adding digital channels (30%).

PANDEMIC CHALLENGES AND POST-PANDEMIC PRIORITIES

While most industries and sectors were hit hard by the pandemic, contact centers were hit particularly hard. Staffing shortages, technology gaps, and a sudden push towards remote work converged to make meeting and satisfying customer expectations challenging. Aside from the emotional toll facing employees and customers, many contact centers also found themselves budget-constrained and resource-strapped, while contact volume continued to rise. Over the past 12 months, 55% of survey respondents reported an increase in customer interactions.

Over the past 12 months, how has your contact center's volume of customer contacts/interactions changed?

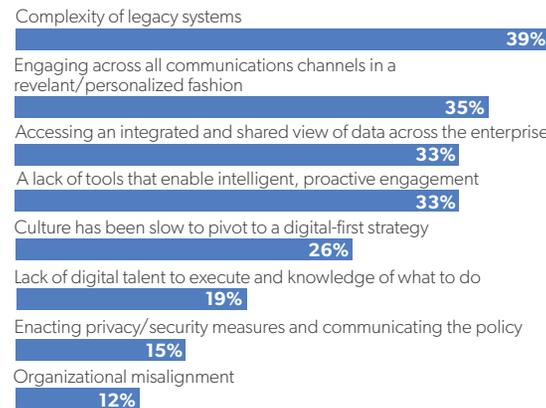


When asked to speculate as to why customer interactions had risen, 54% of respondents attributed the uptick to the sheer number of customers, and 27% suspected that new applications or systems were the cause. In addition, 25% indicated that supporting a mobile workforce/customer base played a role,

and 19% said agent competency had an impact. Among the respondents who reported lower contact volume in the past year, nearly half (44%) attributed the change to self-service.

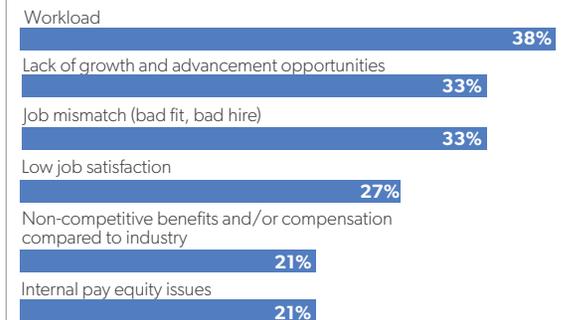
And when asked to identify the most significant challenges to understanding and responding to customer needs/expectations over the last twelve months, 39% of respondents cited the complexity of legacy systems as a pain point. In addition, 35% said engaging across all communications channels in a relevant/personalized fashion was a challenge. One-third of respondents said the inability to access an integrated and shared view of data across the enterprise got in the way. Another third said a lack of tools that enable intelligent and proactive engagement prevented them from responding to or understanding their customers.

Over the past 12 months, what have been the greatest challenges to understanding and responding to customer needs/expectations?



Aside from increased interactions, growing complexity, and challenges brought about by legacy technology, contact centers also faced agent attrition. While contact centers have always experienced higher attrition rates than other industries, respondents to this survey indicated a staggering 58% agent turnover rate year over year; 31% left the company altogether, and 27% moved on to other positions within the organization. The number-one reason for higher turnover? An increased workload, followed closely by a lack of growth or advancement opportunities and job mismatch.

What are the causes of agent attrition in your contact center?



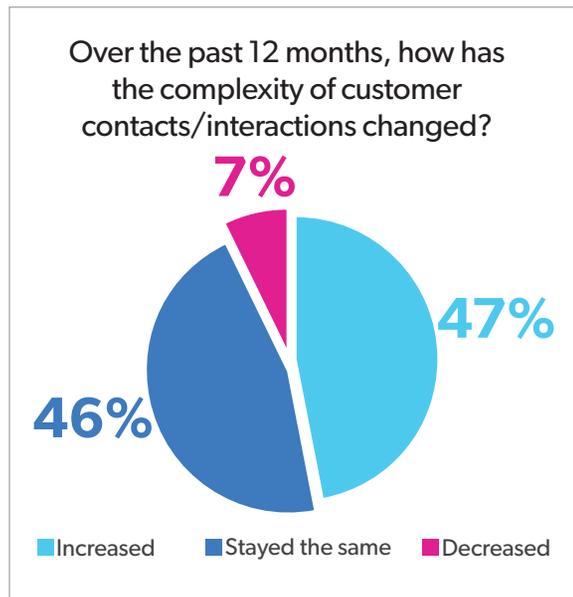
In general, labor restraints and technology gaps have impacted the changes that contact centers hope to make going forward. In addition to these priorities, one-third of respondents indicated they had plans to add new service channels over the next several months. To make all this possible, optimizing human and digital resources will be key.

THE CURRENT STATE OF WORK IN THE CONTACT CENTER

As we look toward a post-pandemic world and plan for the future, it's essential to pause and reflect on current conditions. While staffing, the work-from-home transition, and technology gaps were undoubtedly challenging over the past twelve months, perhaps the bigger story lies in the complexity of customer interactions and the lack of supporting systems to adapt and respond to those interactions appropriately.

The moral of that story? Most contact centers have tremendous opportunities to refine and automate their workforce optimization efforts.

Almost half of survey respondents (47%) said the complexity of interactions increased in the last 12 months. What's to blame for the rising complexity? Signs point to automation—or a lack thereof.



Among the contact centers reporting a *decrease* in complexity, 24% attributed the improvement to having a knowledge base and 24% to new applications/systems. For the respondents who said their contact center's customer interactions had become more complex, the story was much different. These were the top five contributing factors:

1. Scope of services offered
2. New applications/systems
3. Number of customers
4. Agent competency
5. Change in infrastructure

So, how will contact centers shift their focus, priorities, and investments in the coming months? According to our survey, digital transformation and automation will accelerate over the next year. We asked respondents to share the top strategies their contact center is pursuing to satisfy customer needs/expectations, and here are the highlights:

- 42% of respondents said they plan to launch new services/offerings to focus on digital customer engagement
- 42% plan to enhance self-service functionalities
- 38% plan to create organizational change
- 35% are prioritizing developing deeper customer insights to understand evolving needs
- 27% hope to deploy AI and automation to streamline processes and services

- 26% will hire people with advanced digital skill sets
- 25% will deploy AI to improve digital personalization

And in terms of top customer experience initiatives, 41% said automating customer-facing services/products is a top priority. Other top priorities include tracking and analyzing agent performance in real-time and implementing technologies to enable proactive resolutions.

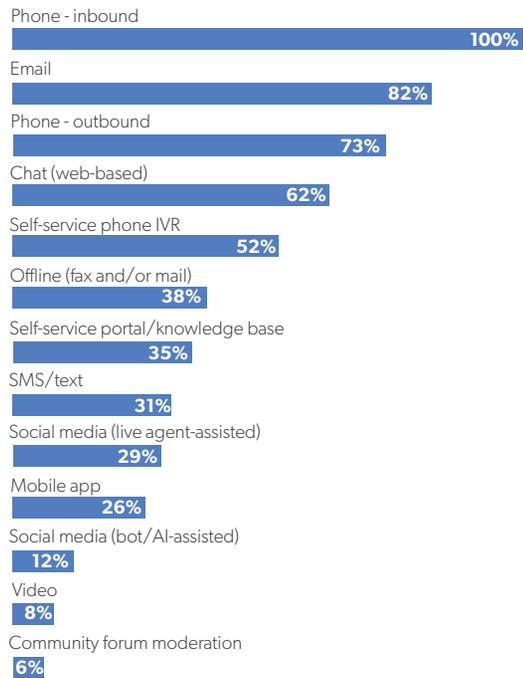
What are your contact center's top customer experience initiatives?

1. Automating customer-facing services/products
2. Analyzing agent performance in real-time
3. Tracking customer satisfaction (CSAT) across channels/touchpoints
4. Implementing technologies to enable proactive resolutions
5. Automating customer-facing processes

In addition, 30% of respondents said they plan to add new digital channels. Nearly two-thirds of respondents (62%) consider their contact centers to be multichannel, while 27% are omnichannel, enabling customers and agents to move smoothly and seamlessly between channels.

Which channels are today's contact centers supporting? Our research from earlier this year shows a mixed bag, with inbound phone, email, outbound phone, chat, and self-service being the most widely used channels. Since 2017, web-based chat support has increased by 17%.

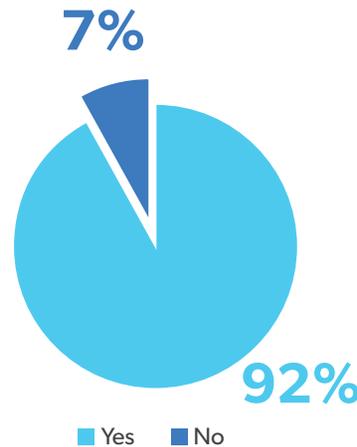
Which of the following channels does your contact center support today?



A significant shift from legacy technology will be critical for those making the leap from multichannel to omnichannel, as 34% said moving to an actual omnichannel model where agents handle all channels was the biggest challenge in managing digital channels. And staffing is just one small part of the equation. For example, 50% of survey participants said their agents are currently required to support multiple channels as part of their job duties, and 64% say they plan to increase the number of agents who support numerous channels.

So, what obstacles stand in the way? Nearly half of our respondents (48%) said learning new processes to handle contacts was a limiting factor. And 46% said navigating multiple screens/interfaces was a challenge. This would suggest that while contact centers are ready to give their agents more responsibility, they're not necessarily equipped with the tools needed to get the current job done, much less take on more.

Do you believe your agent-facing applications could be more effective?

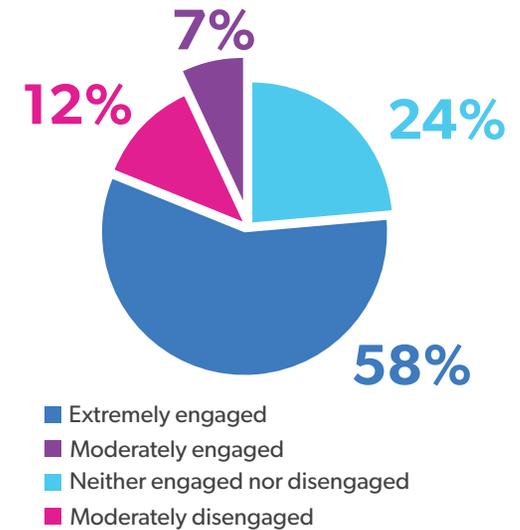


And contact center leaders seem to be well aware that their agents' technology could be much better. In fact, 92% of our respondents said they believe their agent-facing applications are not as effective as they could be. What does that mean for the current and future state of agent engagement?

Most of the contact centers we surveyed said agent engagement was a top priority (87%), and nearly all

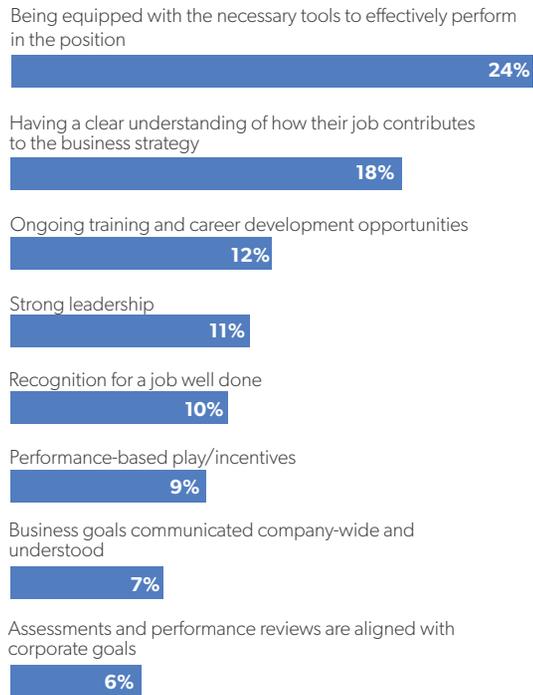
respondents (97%) said they believe that high agent engagement correlates with high agent performance. However, just 24% said they consider their agents to be highly engaged.

How engaged do you consider your agents to be?



Agents want to be engaged high performers. When asked to speculate which factors had the biggest impact on performance, tools came out on top, followed by having a clear understanding of how their roles contribute to the business's overall strategy and having ongoing training and professional development opportunities.

Which factor has the greatest positive impact on agent performance?



Similarly, lacking the necessary tools to effectively perform in the position ranked as the top factor contributing to a negative impact on agent performance, with repetitive tasks, poor leadership, and inadequate training following closely behind.

Which factor has the greatest negative impact on agent performance?

1. Lacking the necessary tools to effectively perform in the position (22%)
2. Repetitive, monotonous tasks (19%)
3. Poor leadership (18%)
4. Limited training and career development opportunities (10%)
5. Pay/incentives not linked to performance (8%)

While it's clear that tools and technology have a tremendous impact on agent engagement and agent performance, and it's evident that contact centers believe agent-facing tools could be more effective, another glaring problem is the sheer number of systems and applications agents are required to navigate daily. Nearly one-quarter of respondents (22%) say their agents use 7-9 applications to handle customer interactions, and another 10% said their agents use 10-15 applications.



METRICS IN THE MODERN CONTACT CENTER

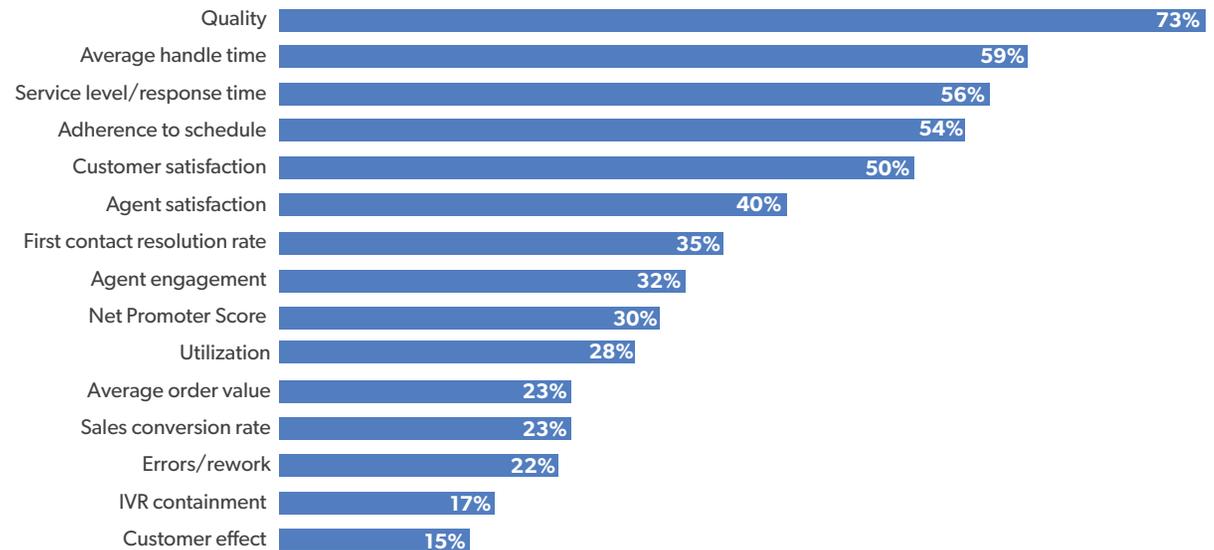
In the background, behind all the applications, systems, and processes, which metrics are guiding contact centers as they gauge success and chart progress? Quality, service level, and average handle time, all traditional contact center metrics, are still the most widely tracked. Even though 87% of respondents claimed agent engagement was a top priority for their contact center, only 40% report tracking agent satisfaction and just 32% are measuring agent engagement.

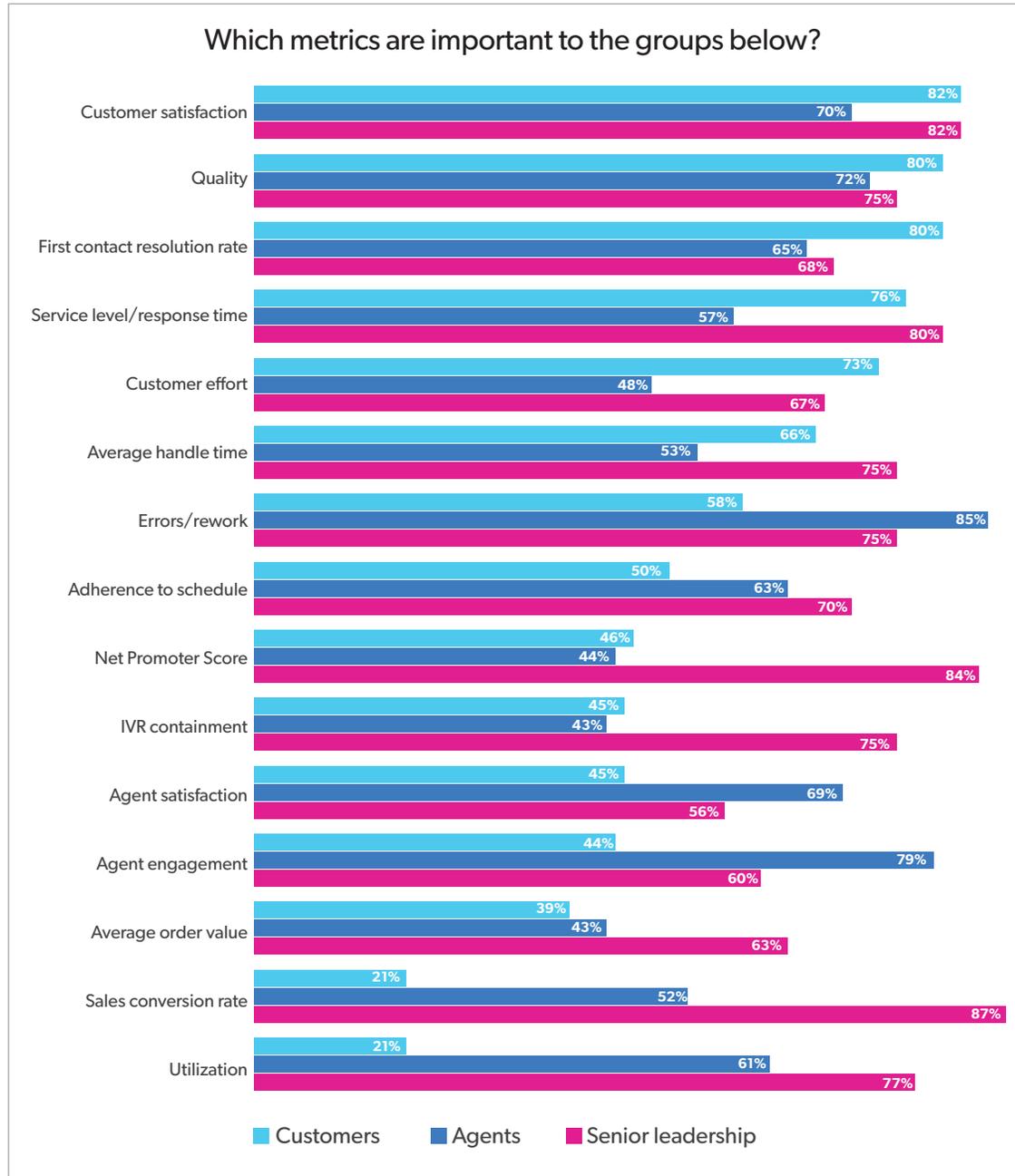
And though respondents seem eager to embrace digital transformation, move away from legacy systems, and make strides to modernize the customer experience, only 15% report tracking customer effort.

How do executive leaders view contact center metrics, and do their priorities differ? While traditional metrics like CSAT and quality hold relatively equal value for agents, customers, and executives, some discrepancies exist. For example, 84% of executives consider Net Promoter Score important, compared to just 44% of agents. And while 79% of agents think agent engagement is an important metric, just 60% of senior leaders feel the same way.

Given the current landscape of work in the contact center – including the people, processes, metrics, and tools involved to operate – where are there immediate opportunities for improvement? Based on the current benchmarks and future-facing data from this research, we'll look at five concrete opportunities for agent and customer experience enhancement.

Which of the following metrics does your contact center measure?





TAKE FIVE: OPPORTUNITIES TO ENABLE THE FUTURE OF WORK IN THE CONTACT CENTER

Knowing that most contact centers are dissatisfied with their current agent-facing tools, up against high attrition rates, finding it difficult to support multiple channels, and struggling with employee engagement, what steps can they take to boost performance? To meet higher expectations from customers and employees and respond to the growing complexity of customer interactions, many organizations will need to turn to automated tools and solutions. Based on the data from this research, we've identified five areas of improvement for contact centers ready to enable the future of work in the contact center.

1. Applying AI to Improve Customer-Facing Applications
2. Break Down Silos
3. Leverage Advanced Analytics
4. Knowledge Management
5. AI-Powered Agent Assistance

OPPORTUNITY #1: APPLYING AI TO IMPROVE CUSTOMER-FACING APPLICATIONS

For the 41% of contact centers who say automating customer-facing services/products is their top priority, intelligent virtual agents (IVAs) could be a quick win, as well as a fix for the one in five respondents who said that monotonous work was the leading driver of a negative agent experience. Turning basic interactions over to virtual agents would enable live agents to focus more energy on the increasingly complex interactions, and offering higher-value work to agents will help create career growth opportunities and mitigate a top cause of attrition.

In addition, IVAs can help customers get quick fixes to minor issues, and free up the budget for more extensive customer experience initiatives, including adding and supporting new service channels.

Of the contact centers already using IVAs, 91% say they bring value to achieving their workforce optimization objectives, with 51% claiming the impact is substantial. Almost one-quarter (23%) of our research participants said while they're not currently using IVAs, they have plans to add them within the next 18-24 months. Given the staffing and recruitment challenges contact centers saw in 2020, automating interactions is a potential solution.

And for contact centers looking to offset heavy workloads (a leading cause of agent attrition), self-service offers many opportunities. For example, 44% of our survey respondents said self-service contributed to decreased customer contact volume. There are more opportunities, too. With 52% of respondents indicating that they expect self-service

to have the most significant effect on the customer experience in the next 2-3 years, we hope to see more contact centers embracing new self-service technology and investing in their current tools over the next few months.

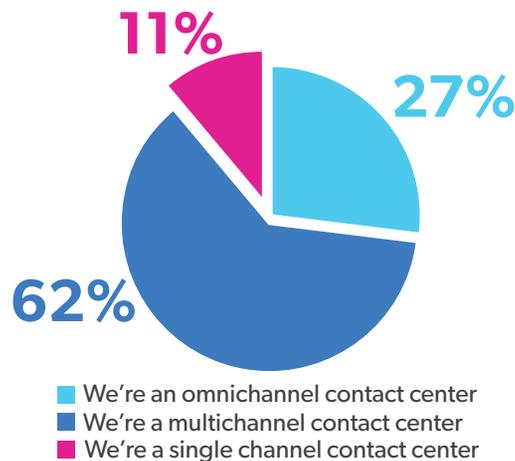
OPPORTUNITY #2: BREAK DOWN SILOS

Although omnichannel has been on the minds of contact center leaders, customer experience executives, and marketers for more than a decade now, the reality is that most contact centers still consider themselves to be multichannel. But thanks in part to the rapid change brought about by the pandemic, contact center leaders have been forced to accelerate their plans for digital transformation, and this moment of reckoning is leading to investments in the technology, infrastructure, and talent to make it all possible.

Of the research respondents who said they're currently using omnichannel technology, 72% said the tools drive significant value in achieving workforce optimization goals. And one in three survey respondents said they expect omnichannel service to have the greatest effect on the customer experience in the next 2-3 years.

Our workforce management research from earlier in 2021 also showed increased interest in embracing omnichannel and the recognition of the challenges involved in moving from a multichannel to an omnichannel service model. For example, 34% of respondents to that survey said utilizing a true omnichannel model where agents handle all channels was their top challenge in managing digital channels. And respondents to this research study cited not having a single view of the customer across channels (40%) and not having digital and voice channels fully integrated (37%) as top considerations/challenges impacting their customer experience. The solution? Cloud technology, using AI to capture and share data and context, and building applications once and deploying across all channels hold power for the contact centers ready to break down silos and embrace omnichannel.

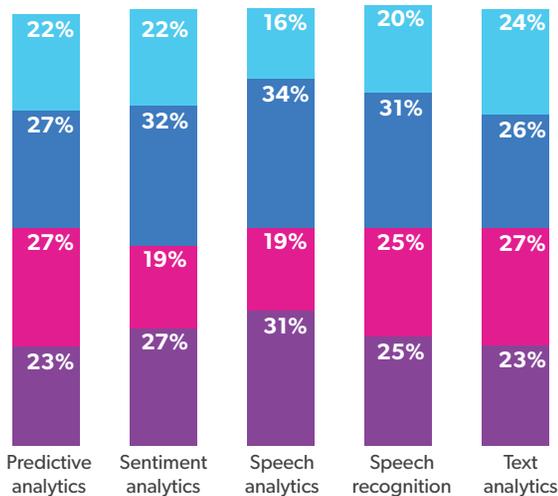
Which of the following best describes your contact center?



OPPORTUNITY #3: LEVERAGE ADVANCED ANALYTICS

Along with digital enhancements related to omnichannel service, contact center leaders seem ready to embrace advanced analytics. Thirty-four percent of respondents said they plan to add speech analytics in the next 18-24 months; 31%, speech recognition; 32%, sentiment analytics; and 27%, predictive analytics.

Over the next 12-18 months, what are your plans for the following solutions?



- We're planning to add it
- We use it but are planning to replace/update
- We use it and have no plans to replace or update
- We don't use it and we have no plans to add it

Of the contact centers currently utilizing predictive analytics, 98% say they have a moderate to significant impact on their ability to achieve workforce optimization objectives; 96% said the same about sentiment analytics. And 66% of respondents said that speech analytics delivered significant value towards achieving workforce optimization goals, with a further 25% saying the value was moderate. Given that 39% of respondents said analyzing agent performance in real-time was a top customer experience initiative for their contact center, deploying these capabilities will be critical.

OPPORTUNITY #4: KNOWLEDGE MANAGEMENT

In today's hybrid work environment, knowledge management has never been more essential. Over the coming months, 35% of our survey respondents either plan to update or replace their current knowledge base tool, and 18% plan to launch a new one. Nearly all (98%) of the respondents who currently use a knowledge base said that the tool drives moderate to significant value towards achieving their workforce optimization objectives, with 70% saying the impact is significant.

Given that 29% of respondents said agents lacking the confidence to answer questions across channels was a challenge to supporting multiple channels, ramping up knowledge management could be one solution. Particularly with teams working in remote or hybrid environments, robust knowledge management can also help address training challenges and bolster quality management initiatives.

OPPORTUNITY #5: AI-POWERED AGENT ASSISTANCE

Given that 92% of respondents said their agent-facing tools aren't as effective as they could be, what can these contact centers do to equip their frontline agents better? AI-powered agent assistance holds the potential to strengthen real-time interactions, provide agent coaching, and improve performance metrics, such as first contact resolution. Here are just a few advantages of AI-powered agent assist tools:

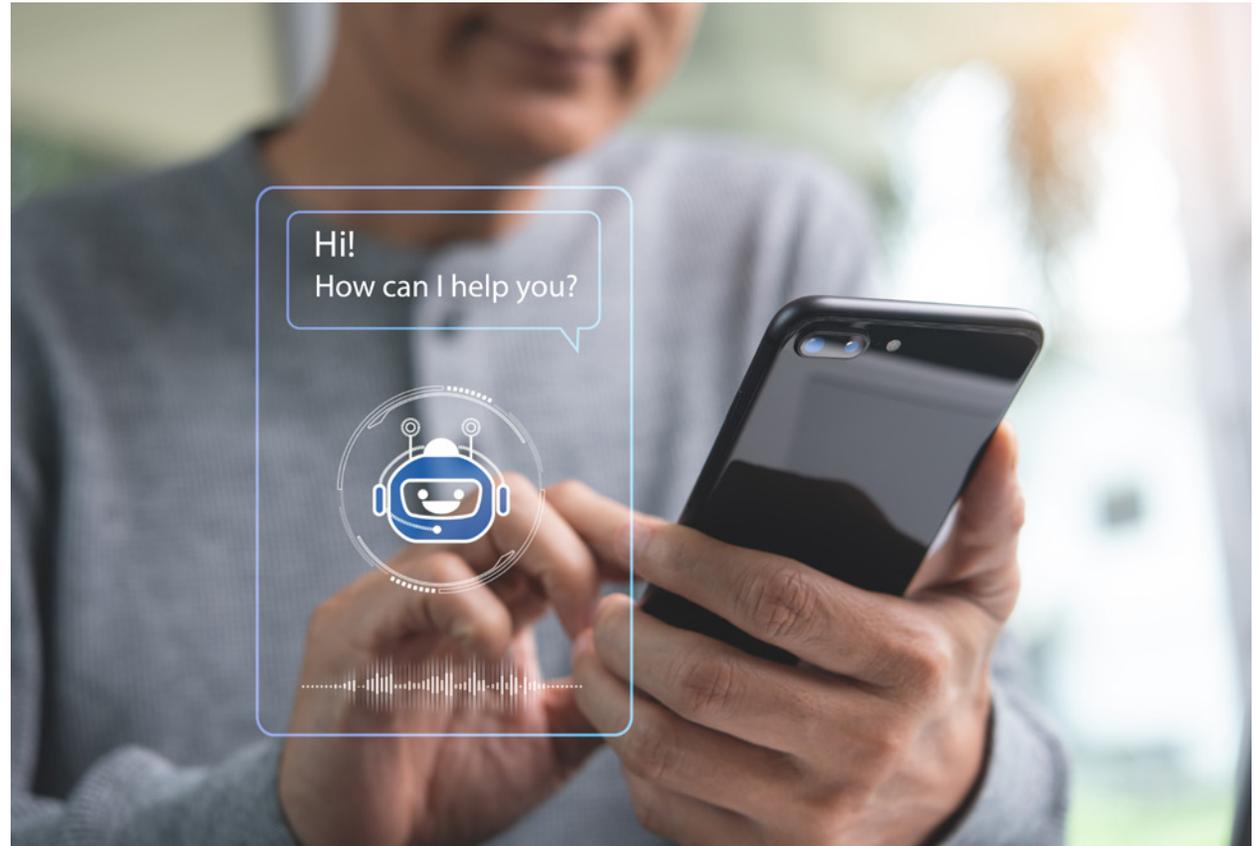
- Ties analytics to knowledge base data for real-time agent coaching
- Automates interaction transcriptions and analysis
- Automates agent admin tasks, including adding post-interaction notes to the CRM or initiating a post-interaction survey
- Equips agent with interaction history and customer data to reduce handle time

Overall, embracing the use of AI-powered assistance for customers and agents, along with advancing omnichannel strategies, utilizing advanced analytics, and ramping up knowledge management, will be critical to the hybrid contact center of today and tomorrow. These enhancements will benefit the customer experience, the employee experience, the cost of service, and, ultimately, the business's broader goals and objectives.

CONCLUSION

The contact center of the near future will operate beyond four walls and with a blend of live and virtual agents. As the volume of customer interactions rises and the complexity of those interactions increases, contact centers will need to automate where possible and free up live agents for more complicated tasks. And as customer expectations rise, equipping employees with the right tools, resources, and knowledge will be mission-critical. To balance costs, efficiency, employee satisfaction, automation, analytics, and modern cloud technology will be essential. For contact centers experiencing the shortfalls of legacy software, now is the time to innovate.

By utilizing the right tools and technology, contact centers can optimize every interaction to better leverage live agents, serve customers, and improve the contact center's position as a strategic business asset.

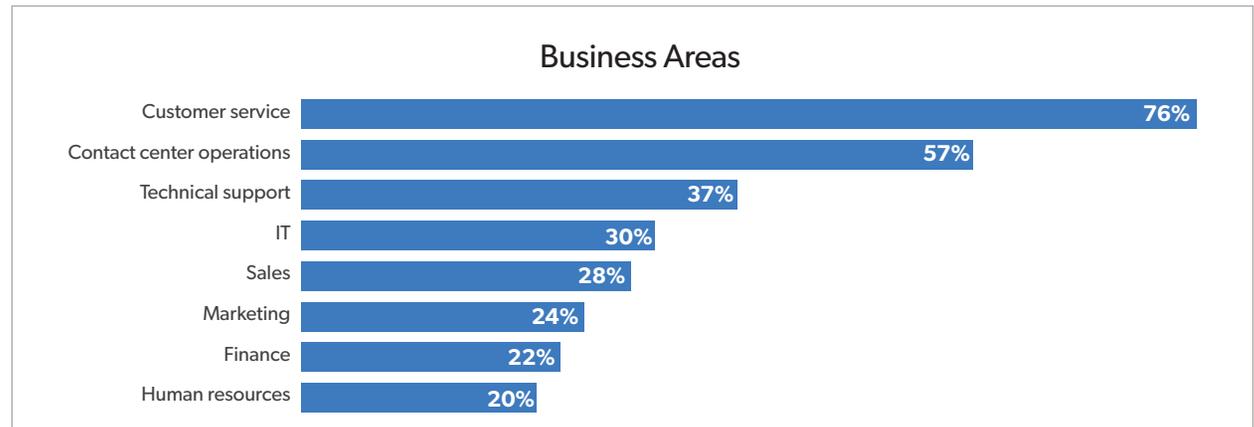
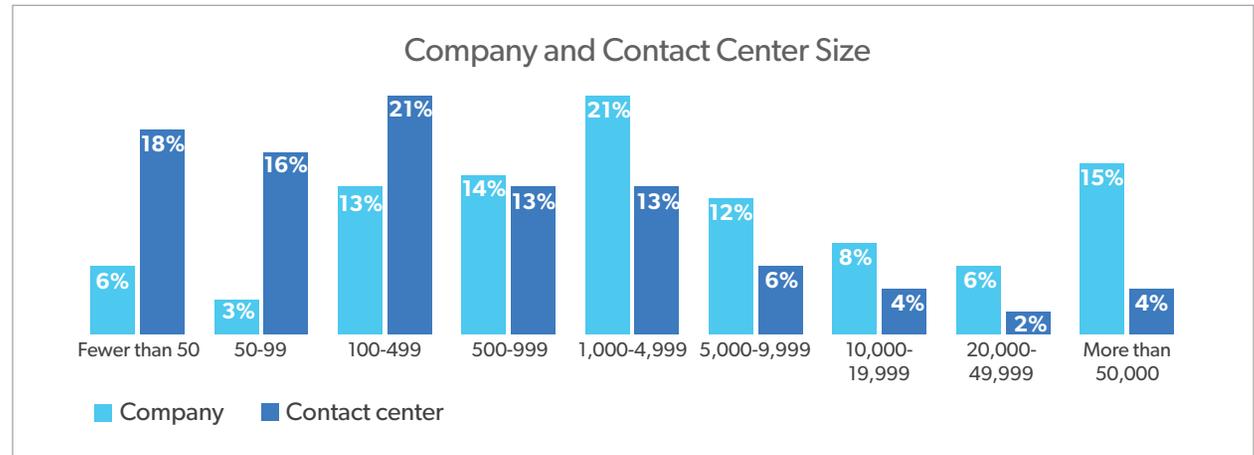
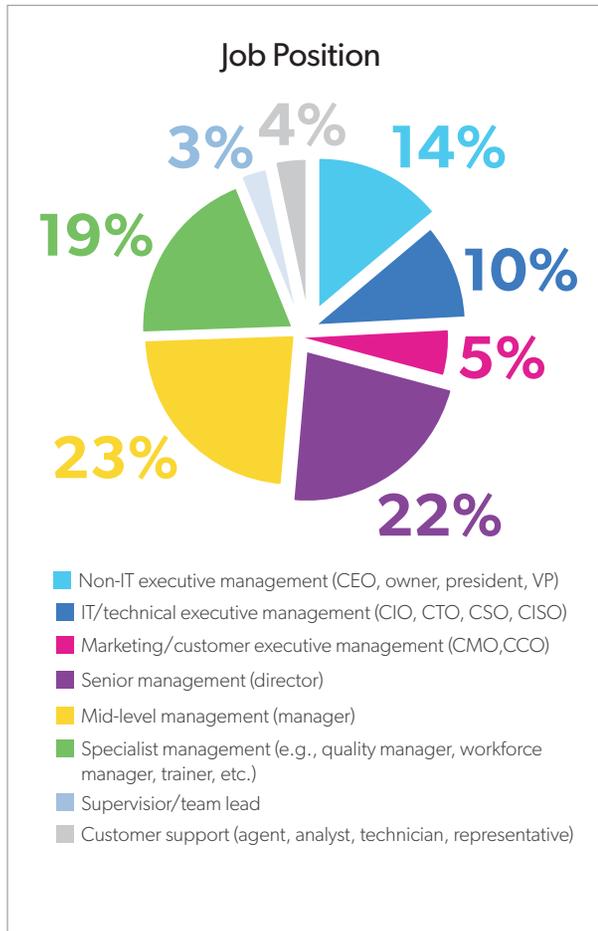


ABOUT THE STUDY

The 313 respondents to this survey represent a diverse sampling of contact center industries and sizes. The largest represented sectors were financial services (13%), healthcare (9%), insurance (8%), construction/architecture (7%), retail (7%), communications (6%), manufacturing (6%), and software development (6%).

The size of the responding contact centers also varied, with 21% of the respondents reporting their contact center has between 100 and 499 seats and 28% noting 99 agents or fewer. Conversely, 29% of respondents reported having 1,000 agents or more, with 4% reporting more than 50,000.

Most survey respondents reported working in managerial positions, with 29% holding executive-level job titles; 22% of respondents are at the director level; 23% are in mid-level management positions; and 19% are “specialist” managers, focusing on distinct functional areas, such as training, quality management, or workforce management.





We are all striving to be better. Whether it's being better people, better leaders, or better organizations, improvement and advancement is at the heart of our daily intentions.

For the contact center, this mission of constant improvement is fundamental to every interaction. We need to meet the expectations of our customers in ways that improve their satisfaction and brand loyalty. We need to improve employee engagement as we build their skills, knowledge, and experience in ways that grow their own loyalty and improve retention. We need to improve our organization's operational efficiencies in ways that drive revenue and improve the bottom line.

No one understands the contact center's focus on improvement like ICMI does. We champion contact centers and their people, and our mission is to make both better every day. Through training, consulting, content and events, we unite the community and empower contact centers to serve their customers better, engage their employees more, and improve the customer experience.

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