



# Leveraging Complexity:

Trends and Strategies for Future Success in the Contact Center

Whitepaper

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## Productivity Report

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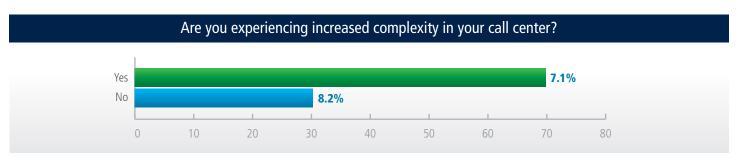




# Leveraging Complexity: Trends and Strategies for Future Success in the Contact Center

In 2012, 510 contact center professionals, representing more than two-dozen primary markets and industries, and located in more than 20 countries, participated in a study of contact centers' short- and long-term goals and investment trends.

Although the contact centers demonstrated a clear understanding and ability to identify the challenges they face, the centers' reactions appeared to involve some of the same continual issues. A majority of centers (69.8%) report increased complexity, but only a minority (32.7%) report that they are upgrading to meet the challenges brought by that increased complexity.



This white paper looks at the five key issues currently facing contact centers and evaluates the current strategies – or lack thereof – for handling those issues successfully.

#### Issue 1: What's Important to the Contact Center in 2012?

When asked "What is most important to your contact center in 2012?" the largest selection made was for focusing on revenue-add and increased customer loyalty (39.4%). However, all the other choices recorded relatively large responses as well: balancing cost reduction and revenue-add achieved 26.7%, balancing cost containment and cost reduction had 20.8%, and focusing on cost containment and cost reduction was selected by 15.5%. However, the fifth choice in the survey, "Other (please specify)" pulled in 11.4%. A review of those "other" responses yields a staggering number of additional focus points: improving customer service, better first-call resolution, increasing the number of employees, and so forth.



Overall, one concept demands to be noticed: although making money and increasing customer loyalty are in the lead, the huge number of also-ran concerns clearly shows that what's important in 2012 cannot be evaluated as an isolate. No single-pronged strategy is likely to be successful. Is it possible to increase customer loyalty without improving first-call resolution? Can revenue be added without sufficiently trained staff? Regrettably, a multi-prong attack seems to be beyond the scope of most contact centers at this time, leading to a state of deck-chair rearrangement in which the same problems (attrition of agents and customers, fumbled call resolution, lack of cross-training, etc.) simply keep repeatedly cropping up.

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#### Issue 2: Customer Satisfaction Is Important, Just Like Everything Else

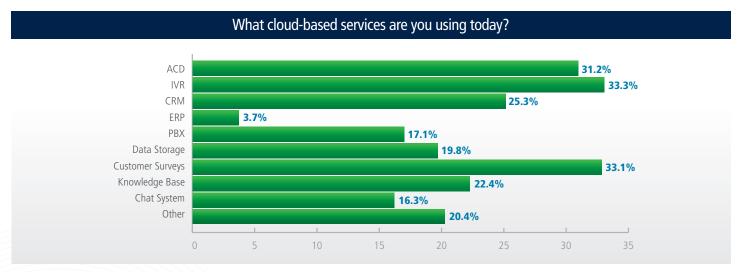
After answering what was most important in their contact centers, survey participants were asked to rank the contact center's priorities on a scale of 1-to-5; the results here were quite similar to the previous question. The average rating for customer satisfaction was above average (3.86). However, all the other choices given – increased agent productivity (3.56), meeting service level agreements (3.56), increased sales and profitability (3.35), and lower operating costs (3.3) – were above average as well.

Please rank the priorities in terms of importance to your call center. (Please rank, with 1 being the lowest and 5 being the highest.)					
	1	2	3	4	5
Lower operating costs	11.9%	14.5%	27.5%	24.2%	22%
Increase customer satisfaction	14.2%	7.1%	9.8%	16.1%	52.8%
Increase agent productivity	8.7%	11.9%	21.2%	31%	27.2%
Increase sales and profitability	16.6%	13.6%	18.4%	21%	30.4%
Meet service level agreements	9.9%	13.4%	20.9%	22.5%	33.3%

Although specific contact centers will probably focus on one or two of the five choices, the clustering of the options indicates that, again, no one, single way forward appears to be emerging. This is particularly problematic when considered through the experience of the customer. A lesson can be taken from the fast-food industry: uniformity of methods has led to a situation in which a visit to any store of a particular franchise is almost always going to yield an identical experience. The hamburger in Portland, Oregon, will look, taste, and satisfy almost the same as the hamburger in Portland, Maine. Contact centers offer their customers no such standardized expectation of satisfaction.

#### Issue 3: How to Get to Where We're Going

Further adding to the mix is the vast range of investments that has been planned in order for contact centers to reach their 2012 goals. Although the specifics vary – process improvement (59.0%); recruiting, hiring, and training agents (40.0%); quality/call monitoring (36.9%); agent desktop tools (29.0%); and CRM upgrade/integration (27.5%) leading the choices – all the choices boil down to the same general concept: improvement through the introduction of technology.



"One of the distinct differences I see between the contact center of today and tomorrow is that the future contact center isn't necessarily a point on a map in an urban center with 250 seats," Mariann McDonagh, chief marketing officer at inContact says. "With the growing use of virtualization technologies, it doesn't really matter if an agent is working in a cubicle in a company office or from a desk at home."

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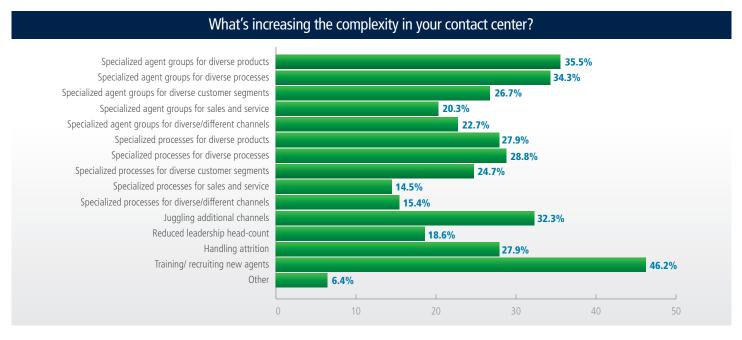
Although the majority demonstrates a clear understanding of the role of upgraded technology, it remains a two-edged sword. The centers are approaching the issue of how to improve by trying pretty much everything that's out there. Too many "improvements" introduced too rapidly can introduce an unacceptable level of worker burnout to a contact center. The contact center must identify the appropriate lag time between identification of a process problem and introduction of a solution to that problem.

Compounding the issue is the usual suspect: funding. More than half (53.4%) of contact centers indicated that they have budget concerns. However, only a quarter (26.8%) of respondents stated that they lack organization-wide support for their contact centers, and large percentages of contact centers reported that they enjoy strong relationships with other departments.

#### **Issue 4: Drowning in Data**

One of the most stunningly obvious problems – and to be clear, this is a problem; it is not a challenge, nor is it an opportunity – comes from the 35.7% of respondents who stated that they "don't have data to qualify [customer] attrition." In the survey, that third's "no data" response was the most frequently selected answer to the question of what causes customer attrition.

The "no data" response appears as a symptom of a larger issue. Significant percentages (14.5% to 46.2%) indicated increasing complexity in their contact centers. That complexity has led to specialized agent groups, specialized processes, and more involved training/recruiting of new agents. The increase in complexity has also affected the performance levels of contact centers with similar percentages (11.9% to 44.2%) reporting increases in broken processes, more data-input errors, lower first-call resolution rates, missed opportunities for sales, and other complications.



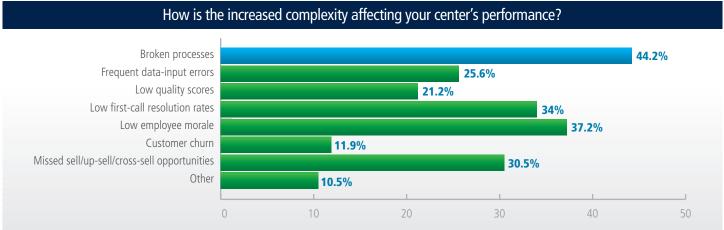


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Attempts to decrease complexity (again, responses ranged from 11.0% to 58.7%) have embraced cross-training more agents (on products, on application, on processes, and on channels), enhancing agent training, hiring consultants, and implementing desktop integration tools. But again, the sense of try-anything appears to be quite strong. Centers appear to clearly understand the challenges are there, but still seem to be grasping for effective ways to get them under control. As one example of this, more than two-fifths (42.7%) of contact centers report agent attrition, with almost half (48.1%) of those departures being caused by burnout from difficult customers.

#### Issue 5: "The Future's So Bright" vs. "Land of Confusion"

"There are dramatic changes occurring in the service industry that are transforming the ways that contact centers are going to have to interact with customers," says inContact's McDonagh.

Overall, contact centers seem to be paradoxically unfocused and quite clear about what needs to be done. One possible cause of this conflict could be that the contact center is too busy putting out fires every day to have enough opportunity, energy, and funding to aim for the future.

The future holds great promise for the contact center, going by the responses to the survey. When asked where they see their centers in five years, many focused on positives: 63.0% indicated that their center would be a customer-loyalty driver. Somewhat fewer (45.4%) saw their center as becoming a revenue generator. Almost the same (44.1%) saw it as an integral part of an organization-wide decision-making structure. More than one-third (35.3%) envisioned a future in which their contact center will be a sought-after workplace. One-quarter (25.3%) saw the arrival of decreased and manageable complexity, and one-fifth (20.6%) thought their center would be well funded.

When asked what will be different in five years, when their center evolves, again, optimism led the responses. A majority (54.0%) saw a pool of cross-trained, multi-skilled agents, supported with an accurate, organic, accessible knowledge base (44.1%). Those agents will be able to communicate effectively with customers via their preferred channels (43.3%), as well as have the analytics and insight to accurately measure customer satisfaction (41.8%). Agent engagement will be higher (38.3%), and the agents will be supported with easy access to subject matter experts within the organization (32.3%). Even agent attrition will be lower (27.8%).



There were also those respondents (3.0%) who selected, "Nothing will be different – we'll still be struggling." Perhaps they're right. In five years, contact centers will be exactly as they are today. But that doesn't seem likely. When asked to select a service, strategy or technology that could be a game changer for a contact center in the future, the same enthusiasm and optimism shines forward. Of almost two-dozen choices, the leading expectations were knowledge management (31%), customer self-service (30.4%), quality monitoring (26.8%), home agents (23.6%) and workforce management software (23.6%).

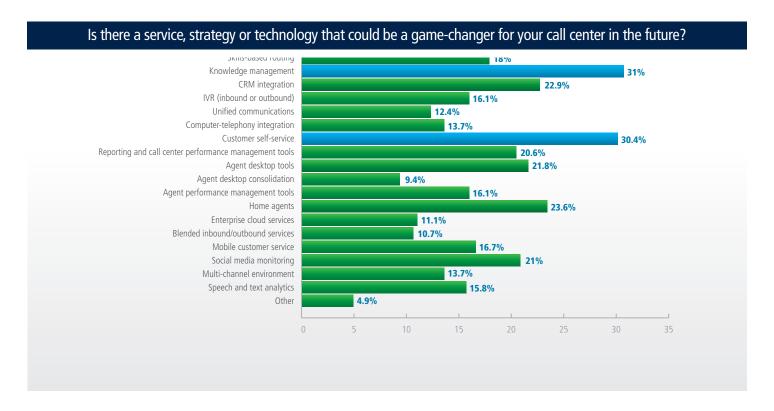
"With gas prices soaring, it's becoming much more difficult to find agents who are willing to commute 30 miles each way for \$8 an hour," says Paul Jarman, CEO at inContact. "This is one of the reasons why many executives are examining virtualization, to help recruit and retain the best agents."



### Conclusion:

#### What Are the Game Changers?

Contact centers continue to be staffed by committed individuals who come in each day to perform a necessary job. They are frequently subject to increasing complexity and hostility from customers. Contact center management is aware of the challenges involved and is using multiple tools in an attempt to ameliorate the situation for both sides of the contact-center experience.



However, the most significant challenges seem to be those least resistant to those efforts. For instance, more than two-fifths (42.7%) of contact centers are experiencing agent attrition, and almost half (48.1%) of those agents are leaving due to burnout from difficult customers. Are all those customers difficult from the first moment of the call? Probably not. But added complexity has added to agents' workloads (greater data-input error rates, low first-call resolution rates, low employee morale) and negatively affected their ability to do their work.

Clearly, for a contact center to effectively plan for a successful future, it must actively incorporate the newest technology. That will require funding commitments as well as confident, corporation-wide support. Decisions should be made carefully and from a mindset of scalability, ease of upgrades, integration, and with the end goal of reducing complexity within the contact center in order to continue growing the positive relationships already enjoyed by contact centers with other departments within their corporations and to further develop the functionality and cost-saving abilities that already exist within the corporate structure.

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# **About This Whitepaper**

This research was made possible by the underwriting support of inContact (<a href="www.incontact.com">www.incontact.com</a>.) ICMI research sponsors do not have access to research participant information, including individual survey responses. The full analysis of ICMI's 2012 Contact Center Agent Salary, Retention & Productivity Report referenced in this whitepaper can be purchased at [insert link]

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