The four stages of Customer Care transformation

Harnessing innovation to re-engineer the customer service experience
Customer Care is at a crossroads

Cost pressures, escalating customer expectations and the explosion of interaction channels have combined to exert enormous pressure on the existing delivery model.

On the positive side, new technologies have the potential to transform the entire discipline, from a voice-centric cost center to an omnichannel, always-on, customer experience powerhouse.

And that’s where the crossroads comes in.

Because right now, every Customer Care leader has a choice:

**Stay the course and continue with the existing model**, improving efficiencies and balancing demands for as long as you can.

**Start the transformation journey**, knowing that there’s a more sustainable, more value-generating (and more exciting) way forward.

This eBook is for Customer Care leaders who are at least considering the second route – and for those who are skeptical. For those with fire in their belly – and for those who want to tread carefully.

We’re helping some of the world’s biggest and most progressive Customer Care organizations make this journey and we’ve developed a four-stage roadmap to suggest a practical, structured way forward.

Whether you already have executive support for your vision, or whether you’ll need to show a business case for every step of the way, this approach should work for you.
The four stages of Customer Care transformation

1. Operate
Build the foundation

This stage is the cornerstone of the traditional model of Customer Care, and it’s served the market well for many years.

Contact centers have been focused on inbound voice calls with a single point of resolution – but that’s changing as they come to terms with an omnichannel world. Email, social media, chat and IVR are now an integral part of the landscape.

It’s important to get the basics right at the Operate stage, as it’s the foundation for all the others.

The main goal of Operate is fairly straightforward: achieve customer satisfaction (CSAT) and meet service level agreements at minimum cost. This requires a highly structured approach, integrating people, technology and business objectives.

The focus here is on management tools. Also at performance tools to see how agents are doing and how they could improve e.g. using agent chat, avatars and gamification. This approach keeps agents focused and motivated, to deliver a better customer experience.

Speed to proficiency is also another key goal: how quickly you can get agents up and running in a fast-paced environment with a steep learning curve and high levels of pressure.

So Operate is process focused: transactions, metrics, KPIs, improving performance, pushing down costs. Everybody does these basic things, so you might think that differentiation is difficult as the market becomes commoditized.

And it is. But the next three stages will give you all the differentiation you need.
2. Analyze
Get closer to your customer

With the basics all in place, you can advance to the next stage: gathering as much data as possible about your customers from all channels and analyzing it in depth.

Analytics allow us to spot patterns, and to understand – and even predict – customer behavior. This provides organizations with valuable nuggets and insights to better understand the voice of the customer and improve customer experience.

Chat, email and social media can be run through text analytics to identify patterns in customer issues and potential opportunities.

But we’re moving beyond simple text analytics. Speech can now be converted to text and run through analytics, allowing companies to build up a profile of customer sentiment and behavior across all channels.

This allows you to gather invaluable information about products and services, so you can spot service issues early, take advantage of sales opportunities in real time, or plan wider campaigns based on detailed data analysis.

The mood of the customer can also be analyzed in real time, providing customer service agents with feedback to help them fine-tune their approach. The mood of the agent can be assessed as well, to see if they’re running into trouble and need a supervisor to step in.
2. Analyze
Get closer to your customer

Predictive analytics can tell not only how the customer will behave but also how receptive they’ll be to interactions with the company.

So for example they can help determine what products or services customers are likely to be interested in, which agents could best serve them, and what style they prefer (formal or informal).

**New analytics, new opportunities**
Analytics can be developed and exploited to the full in Customer Care innovation labs. These labs can be set up in a 'sandbox' environment in contact centers, deploying, testing and refining new processes and technologies in a real-life situation on a limited scale, so the wider operation isn’t disrupted.

Never before has so much data been available on customers, and never have the tools been so sophisticated to provide detailed insights to improve performance, customer experience and your bottom line.
One of the major problems for all companies these days is customer churn. Twenty percent of U.S. credit card customers churn every year, as do thirty percent of European mobile phone customers.

That’s a big hit for the organizations involved. And it’s something that analytics can help prevent.

Churn prediction is now a reality, using thousands of data points about individual customers. For a mobile phone customer, for example, those might include their usage, the extras they buy, the number of support calls they make, the speed of issue resolution and the length of contract.

But analytics can also link out to the wider world: to social media profiles, Twitter feeds and anything else that helps companies build up a picture of the customer. All of this data can be compared with historical customer churn data to predict just how likely the customer is to leave. You can then take action to stop that happening.

Churn is a good example of the four types of analytics available:

- **Descriptive**: here’s what happening (people are churning)
- **Diagnostic**: this is why it’s happening (the reasons for churn)
- **Predictive**: here’s what’s going to happen (this particular person is going to churn)
- **Prescriptive**: here’s how to stop that happening (these are the tactics to use)
3. Augment
Power your people

Those detailed insights provided by analytics can also be exploited and deployed to help agents do their job more effectively.

Learn faster, perform better
Technology can now be harnessed to reduce training time, speed to proficiency and agent performance. Intelligent tools can learn from previous interactions with customers and provide agents with the shortest, most efficient path to resolution of a customer’s problem.

Optimize resources
Sophisticated call routing can match customers’ issues with the most appropriate agents to reduce call time and increase customer satisfaction.

Simplify complex systems
Very often, customer service agents have been frustrated and held back not only by the sheer complexity of products and service offerings, but also the complexity of internal systems that aren’t joined up. Now, those systems can be simplified into one user interface, so they have information at their fingertips.

Smart machines, smarter agents.
But simplification tools go far beyond just bringing everything together in one single screen. They also provide adaptable scripts, real-time decision-making and customized workflow, thanks to detailed back-end coding by expert analysts, based on industry best practice.

Agents learn more quickly, find answers faster, make better decisions and stay motivated and focused. They’re also ‘re-humanized’ by technology, as intelligent workflows move them away from linear, step-by-step approaches to the fastest path to problem resolution.

And the results are impressive: a 30 percent reduction in call-handling time, 50 percent reduction in training time, a big jump in customer satisfaction and lower churn of both agents and customers.
4. Automate
Work smarter

With Customer Care under increasing pressure to do more with less, automation seems like a ready made solution. And it would be, if it provided a comprehensive, personalized service that matched or exceeded an interaction with an agent.

Unfortunately, that’s not the case.

While 55 percent of customers say that self-service tools are very convenient, in practice only three percent use them. The fact is, the current generation of self-service tools often lag behind the real world, with 40 percent of common call types simply not represented in self-care systems.

So instead customers pick up the phone. At least 20 percent of calls to contact centers are ‘fallback’ calls from customers who couldn’t find the answer on a self-care system.

The learning system
The solution is to deploy automated systems that listen, learn and improve. That may sound a bit far-fetched or futuristic, but actually the technology is available right now.

Machine learning and Natural Language Processing make it all possible. These systems can follow human interactions step by step, and create a consistent, repeatable experience for automated systems to deliver.

This result is a new generation of self-serve tools that are truly intelligent, growing and developing over time. They mimic human interaction and provide faster, better answers. Because they’re directly connected to real-time inputs, they keep pace with the contact center and prevent those costly fallback calls.
4. Automate
Work smarter

**Make every interaction personal**
As automation plays an increasingly important role, you could be forgiven for thinking that service will become generic and commoditized. But that’s actually not the case.

Because this is where all those analytics and data points we talked about earlier come into their own, and give you the ability to provide something that’s never been possible before.

**Mass personalization**
That may seem paradoxical, but it’s perfectly achievable. The combination of intelligent automation and deep analytics will allow you to bring back the human touch to your interactions with each customer.

You’ll know what products or services they’ve bought, their preferences, buying patterns and issues. All these insights could also be used in time to offer personalized cross-selling and upselling that’s automated.

Personalization is also about giving power back to the consumers. Brands are no longer dictating where and when consumers interact with them. Instead, they’re giving them a choice and allowing them to make a decision based on their preferences, needs and schedule.
Big challenges  
Bigger opportunities

This is an exciting but hugely challenging time for customer care leaders, as the market changes from a single channel, voice-centric model that’s focused on costs, to an omnichannel world that’s focused on customer experience.

And as customer experience becomes the primary differentiator in increasingly commoditized markets, Customer Care is moving to the heart of every business.

Traditionally, delivering better customer experiences meant only one thing: incurring higher costs. Now, with new technologies and processes, that’s no longer the case. Better can be lower cost.

The four stages of Customer Care show a way forward that helps organizations challenge the cost paradigm and invent a new model that delivers far more value to the business.

Innovation and technology can streamline and improve operations. Analytics can provide customer insights that were previously unimaginable. Agents have never before had such powerful tools to help them deliver faster, better service. And automation is changing the way all organizations interact with customers, reducing costs and delivering a highly personalized experience.

This clear, practical approach will help all organizations meet the challenges of Customer Care, and transform it forever.
Further reading

Silos confuse customers, reduce efficiency and hurt your competitive edge. **We have five top tips** to help you break them down.

Read the brochure
We’re Xerox.

We’re obsessive about customer experience.

In a world where customer experience is the one thing that will set you apart from the competition, we’re constantly looking at ways of making Customer Care better, faster and more efficient.

Our best-of-breed call centers, cutting-edge technology and constant innovation transform the customer experience at every touchpoint. Through the intelligent combination of people and software, we help you cut costs and deliver better service.

Talk to us.