# *strategic considerations when building customer service for the next decade*

a practical approach to creating a strategy while considering the issues that affect customer service today and for the next few years
November 2015

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## Introduction

Customer service is a very complex initiative for organizations.

As simple as it sounds to "just answer questions," the speed at which new terms are introduced, the rise of new channels, and the nuances of implementing new solutions makes it almost impossible for those in charge to succeed. When we add executive demands of proven value for each new component or channel and the quickly rising tides of customer demands, the life of customer service managers has been stressful, to say the least.

The rise of such terms as *customer experience*, *omni-channel*, *self-service*, *automation*, and *social customer service* has caused many customer service managers to change their approach and to plan for complex and lengthy implementations of new models. Meanwhile, customers have proven they are accepting of automated self-service solutions as long as they deliver correct answers fast. The move to automate answers also means complexity increases for agents as their jobs evolve and require better tools.

Amidst all this, there is a solution; there is a better way to handle these changes over the long run.

In the ultrafast shift from *cost center* to *delivery center of end-to-end experiences*, customer service managers find themselves lost in a cacophony of channels, models, technologies, and opinions on which way to go, all while needing to transform customer service quickly and effectively. There has been no model shown yet for this—until now.

We have seen the emergence of a secure, proven, steady innovation model for customer service that leaves behind the craziness of this fast-changing, unfocused approach, and instead sets the strategy and the direction as it was: customer service is about making sure that the right answer is delivered to the right customer, via the proper channel (or agent), at the time of need.

Instead of constantly adding new channels and technologies, these practitioners are creating a solution that is focused on the outcome, not the "easy" way to get results that fails to align with the strategic approach the service organization is attempting to implement.

Whether customers use self-service solutions to get to their answer or interact with agents via myriad channels, the model can support it. The technology behind it is flexible, the intelligence is plentiful, and the results are beginning to show the path forward.

However, a warning: it requires discipline and strategy. A purely tactical, technology-only solution will not work.

Let's explore this model.

## The Challenge

Ever since electronic channels for customer service began to emerge in the late 1990s, we have seen organizations both enthusiastic about adopting them and struggling to make them work well. As we continue to "add" channels, technologies, tools, and plans, we seem to have lost the way to reach the goal of delivering service via agent-facing channels as well as self-service channels.

The biggest problem we face in doing this is the use of outdated metrics. Tracking data such as first-call resolution, average handle time, or even how many interactions an agent closes in one hour is the wrong approach to customer service these days. Most of these transactions are irrelevant to the purpose of the transaction: to provide an appropriate answer to customers at the right time via the right channel. Metrics focused on operational efficiency like the above are not well suited to correlate to the ones that we should be tracking as customer service evolves into a customer-centric strategy.

The evolution of customer services changes it from operationally efficient to customer effective. In this new model, we are more focused on metrics like customer satisfaction, effort, experiences, loyalty, and even engagement as a long-term outcome of doing it right. Tracking must change to reflect the part of the interaction that can effectively correlate to these new metrics.

In addition, customer demands continue to evolve. Contact via multiple channels is a baseline model; adding social networks and messaging as part of the model, along with shorter times to deliver the right answer, is also expected. With these rising demands we also see an increased focus on getting "experiences" that culminate in an "engaged relationship."

Customers are not as insistent on finding human interactions for all solutions, but they expect the right information at the right time, every time. They expect their vendors and providers to deliver experiences—no matter what they define as an experience in an ever-changing continuum of interactions. Tracking the right data and results for each interaction will make it easier to track the outcome of these experiences.

The model has indeed changed from simply delivering a single, well-executed (from the operations point of view) interaction to accumulating these interactions into experiences (how well the company delivers over time—not in a single interaction) to eventually reaching a state of engagement with customers. This model has become quite complex as every single interaction has a long-term outcome—when done properly—and many data points/metrics to track its performance (and potential correlation to effectively monitoring interactions).

In the midst of this ever-growing complexity, we have seen a few organizations focus on setting a strategy and building the infrastructure necessary to ensure optimal delivery at each interaction (whether via an agent or self-service system) rather than grow the complexity of their customer-service implementation by adding channels and tools indiscriminately. The success comes from

using a programmatic approach to delivering flexible, dynamic, effective customer service via any channel—and via empowered agents or self-service solutions.

There are three elements that must be addressed in building this model:

1. **Agents.** Empowering agents to deliver the right answer each and every time they interact with customers requires extensive planning and tooling. Organizations must provide agents with the right:
   a. Tools. Agents must have access to the right tools to plan, create, and deliver near-perfect solutions for each interaction. These tools must be adaptive, easy to use, and comprehensive, offering everything agents need to deliver the right answer every time.
   b. Knowledge. There is no replacement for having the right knowledge available to agents and customers at each interaction. The best-crafted experiences will fail without the right knowledge powering them.
   c. Training. Agents not only must know what to do, but must also be supported in doing the right thing as the complexity of their jobs will continuously evolve. Ongoing, extensive training is paramount for success.
   d. Empowerment. One of the key findings in research on churning agents marks lack of empowerment as the top reason for it. Empowering agents to make, implement, and enforce decisions within a win-win framework where customers also get value is critical to the new generation of customer service.
   e. Incentives. At the end of the day, agents will remain in a job when properly incentivized. While this used to mean higher pay, today agents guided by a sense of duty and service require different incentives that recognize their contributions in more than financial ways. Building and implementing these plans is a must for customer service organizations.
2. **Experiences.** In spite of organizations' attempts at understanding and managing customers' desires for experiences, results have proven that they still don't get close to what needs to be done. Customers want control of the experience without interference from the organization—and the right experiences over time yield engagement as an outcome. Organizations want to let customers build and manage these end-to-end experiences and still have a say in what components and data are used. To deliver end-to-end experiences that customers will embrace, they must:
   a. Build an infrastructure. Customers want the ability to build their own experience each and every time based on their needs at the time. Building an infrastructure to support this is a critical step for organizations that aim to support experiences.
   b. Provide dynamic journeys. Journeys that have been mapped and canned are no longer successful. The ability to support variability within journeys is what distinguishes leading service organizations.
   c. Ensure repeatability. An experience is only as good as its outcome, and any outcome must be the same across channels and across similar experiences. Ensuring the repeatability of outcomes—not experiences—is what distinguishes leading organizations.

     d. Deliver smooth, seamless experiences. Customers have taken to interacting via more channels under more conditions than ever before. Building a common infrastructure for all channels—so these "hops" between them in the middle of the experience don't interrupt the experience for the customer—is a requirement for today's service organizations.

3. **Technologies.** The myriad new channels and technologies aimed at customer service make the task of keeping up virtually impossible. A tidal wave of recent technologies that customer service had to respond to included the Internet of Things, mobile service, social channels and social service, communities, and the concept of omni-channel. Understanding how and where to insert and use these technologies in the ever-evolving world of agent-facing and self-service customer service can be daunting without a framework or methodology to make the decisions. To deliver the self-service experiences and the better agent-powered resolutions as specified above, organizations must:

     a. Manage self-service. Customers have long proven that they want more than just a conversation with a human; they want a fast resolution via any available means. As they take more and more to electronic channels, self-service becomes a critical path to quick, correct resolutions at each interaction.

     b. Create decision workflows. Escalation from self-service or from one failed channel to another cannot be an excuse to build an entirely new interaction. Organizations must learn to create cross-channel support, including decisions at each point and each channel on how to best address the demands and requests.

     c. Build the right framework. The model discussed in the previous points to support flexible, dynamic, always-changing experiences must be built to support the strategy to deliver end-to-end experiences to customers with the right information each time. It cannot lead the solution, but it must support the strategy.

     d. Understand the past. Nothing that we are facing today in customer service is unique or never before seen. Adopting channels, new technologies, new tools for management or support, or training agents into these new models, channels, and technologies has been done—we just need to remember the lessons learned from those actions and apply them today.

Once all these pieces begin to gel, a model emerges that focuses on crafting a strategy to deliver this solution.

# The Strategy

Crafting a strategy to support the change necessary for organizations to evolve customer service requires four steps. Each one of these steps represents a core element of the final model that will be built.

## 1. Centralize Customer Service Components

Centralized use of common components in customer service has been a lifelong struggle for contact centers. Once we understood that components like knowledge management, rules, access rights, roles, and personas would be necessary across the many channels of the contact center, we set out to centralize them; it has not been an easy road.

The latest study thinkJar conducted on customer service usage and adoption revealed that the use of a set of common components (one of the characteristics of multichannel usage) has less than 25 percent adoption among organizations—three out of four organizations have not yet been able to set up and use common components.

As the evolution of customer service takes to social channels and social networks, this problem becomes more cumbersome. It is not only the lack of integration with common support tools—like knowledge access and scheduling of agents—that becomes a problem, but also the lack of use of a common system of record (a repository for all data, content, knowledge, and more that is used to conduct those transactions).

However, the problem behind the lack of centralization does not become an issue until we see organizations embarking on the latest trends in



Figure 1

customer service: managing experiences, delivering engagement, adopting omni-channel initiatives, and making sure that customers are effectively served. Indeed, without a common data model and a common system of record, those strategies and corporate disciplines are unattainable.

See Figure 1 to understand what this looks like, and what model you should be aiming to build—regardless of technology.
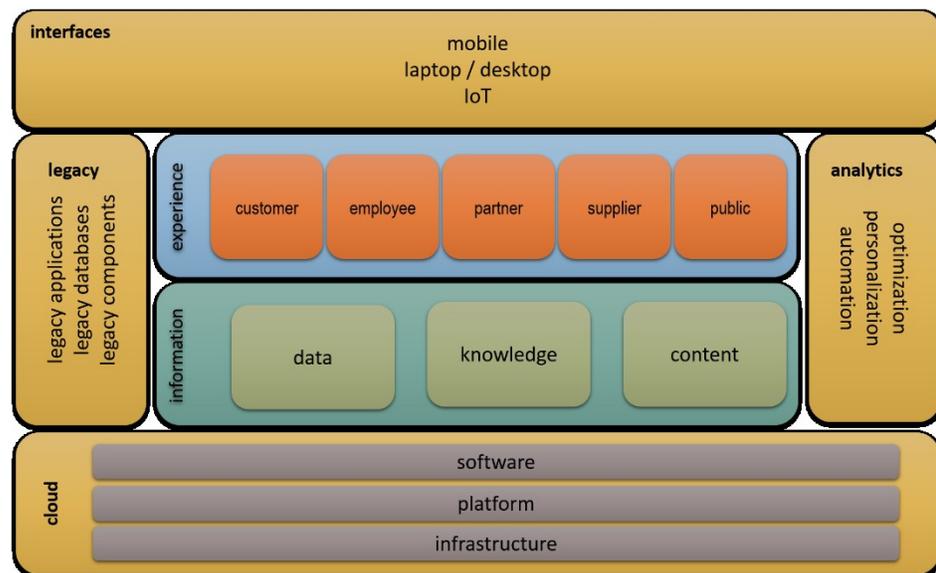
## 2. Utilize Automation and Self-Service for Customer Service

In the architecture shown in Figure 1, we see three potential outcomes for using analytics in customer service: optimization, personalization, and automation. Two of those outcomes have long been favorites for customer service: personalizing and optimizing operations. Indeed, optimization had been, until the past few years, the only outcome sought in call centers and one of the leading ones sought in contact centers. Optimizing use of resources yields, only temporarily, costs savings—which we mistakenly used to monitor the progress of customer service, until recently.

Optimizing operations and making them as efficient as possible was what led to the early years of customer service being perceived as a cost center. The thinking was that if customer service was necessary to fulfill requests from customers (with no revenue or profits associated with it), then maximizing cost savings was the only way to run it. To do that, all processes had to be optimized as much as possible, resulting in the most efficient operations.

This strategy did not deliver the expected results; there were no massive savings as a result of the optimization of processes and operations, mostly because they were not leading toward either fulfilling the demands of the customer or automating the interaction. An ideal strategy for any customer-service operation is to start by optimizing operations, then automating those same optimized processes as much as possible, and ending with fully optimized, personalized interactions—some (or all) of which are automated.

Automation of customer-service operations happens via self-service tools and proactive customer service. While proactive service is still in its infancy, self-service tools and solutions for customer service have come a long way. Powered by knowledge bases, natural language processing, machine learning, and cognition (in the latest iterations), self-service tools have risen in adoption and proven value in recent years to supply one of every five interactions for a contact center that deployed them. The trend of adopting self-service via multiple channels continues to grow, powered by customers' satisfaction with what has been delivered so far.

According to the latest research from thinkJar, between 40 and 60 percent of customer-service interactions are first-level inquiries and are prime for automation. If the processes behind them are optimized, and we know the demands and expectations of the customers on the other end of the interactions, there is no better way to reduce costs, personalize experiences, and increase engagement than to automate those same interactions.

## 3. Regain Focus on What Matters for Customer Service

Once the proper infrastructure is in place for customer service, a few things will happen:
- Support for new channels and new technologies will be faster and less complicated.
- Adopting initiatives like experiences, engagement, and customer-centricity will be easier.
- Understanding the demands and expectations from customers will be standard operating procedure.

However, the most important contribution will be the ability to deliver purposeful, outcome-based customer service.

Customers who contact organizations for service are looking for one thing: an answer to their problem or situation. If they move, they want to transfer services, change addresses, and so on. If there is a wrong done, they want a resolution and, potentially, a refund. If they are curious about a product or service or have a question about anything, they want the content and knowledge to fulfill their need.

In the past couple of decades, customer service shifted from being a resolution-centric endeavor to being a repository for all things the company did not want to do (or couldn't do with their then current setup). According to the leaders we talked to recently, they are seeing that it's time to go back to what matters.

Indeed, fulfilling the demands from customers is not solely about managing more channels, building better content, finding more experts to answer the questions, or using any of the other supposed-to-be solutions that have been touted extensively. The solution is focusing on what matters: getting the right answer to the right customer at the right time in the right place. Regaining focus on what matters will extend the work done in the prior two steps with the building of the infrastructure and the journey through optimization and automation.

Once the setup is done with the right infrastructure, the right level of automation, and the purposeful, outcome-driven set of processes to resolve issues, it is time for organizations to see which of these elements can be used for improving customer service over the next decade and to (finally) extend customer service to where it is necessary.

## 4. Extend Customer Service to the Enterprise and Beyond

Once the infrastructure is in place, the components are set, and the goals and vision implemented, it's time to realize that customer service tomorrow will be a very different discipline. Far from the traditional one department used to handle all problems, customer service has become engrained with the rest of the organization in end-to-end experiences built around an architecture similar to the infrastructure presented in this document.

While the infrastructure is important to support this new model, customer service organizations are beginning to realize that it is not just about the technology. Indeed, a better knowledge-management system, more accurate automation via intelligent assistants, or deeper integration between Twitter and a system of record will not solve the core problems. Customers want quick, effective, relevant answers to their problems and organizations must provide them fast—while retaining engaged agents and ensuring self-service systems efficient and effective.

Successfully crafting a strategy for customer service for the next decade or two will take the steps highlighted above, but more than anything, it requires the understanding that the core components that provide the answer must come from across (and outside) the enterprise:

- The data, content, and knowledge that are used to provide answers are created in different areas of the organization and must then be adapted to service resolution.
- The subject matter experts that can contribute the answers fast more than likely reside elsewhere in the organization—if not outside of it altogether, likely in a social network or community not managed by the organization.
- Processes that create and improve the information are spread out throughout the organization, and some of them are not even accessible by the department.
- Customers no longer see customer service as a department of an organization, but rather as the front end of a complex ecosystem that spans partners, suppliers, and even unknown people.

Crafting a new strategy for customer service requires the creation of an infrastructure, automating some or many of the transactions, focusing on finding the answer, and above all a change in mentality about both the exclusive role of customer service as well as the isolative nature of the providers. In short, one must develop an ecosystem between customers, providers, technologies, tools, and channels where experiences are built ad hoc and executed for the sole purpose of delivering an answer to each customer question in the best way possible.

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