The Contact Centre Innovators' Roundtable

Strategic Insights: Call Reduction Strategies Volume 1.0

Acknowledgment

In this era of complexity with escalating demands on the contact centre, the best learning comes from those who share the same challenges; other contact centre Operators. Through the Contact Centre Innovators' Roundtable, a collection of experienced contact centre professionals gather to discuss relevant challenges they face and share potential solutions. In our most recent meeting, we discussed the challenges and strategic importance of call reduction strategies especially in economically uncertain times.

For details about the Innovator's Roundtable see the last page of this article.

Problem introduction

In today's increasingly complex business environment, call centres are too often victim of poorly thought out processes and policies, errors upstream, the omissions of other Agents, and customer confusion. Many customer-facing problems or inconveniences caused elsewhere in the organization can arrive in the contact centre daily as a phone call or as an email. If you are thinking, "How do I know I need a call reduction program?" As one participant passionately exclaimed, "You can't afford to not do it!"

Experienced contact centre leaders are focused on how to proactively versus reactively reduce costs. The professionals sitting at the Innovators' Roundtable agreed that one of the best ways is to simply handle fewer calls. Your tactics might ultimately include self-service, additional agent training, or simpler processes, but hopefully the insights from the Innovators' Roundtable will give you the head start you need to be successful.

This paper is targeted for a VP, Contact Centres who needs to know how to set-up, oversee, and measure a call reduction strategy. We hope other senior executives and managers might also benefit.

At the Call Centre of one of the Roundtable Leaders (a financial company), 20,000 new customers per month were required to call to activate their new account after having already completed their enrolment and mailing in their deposit cheque. The activation process involved asking the client to verify one piece of information so the agent could hit one key to validate and complete the activation. Clients correctly wondered why opening a simple account would require so many steps. The Call Reduction team identified this issue as a low-value call and introduced a simple automated solution to verify the required information. The "activation" call was eliminated which translated into a reduction of 19,000 calls per month. This one change reduced headcount by 19 FTE, plus a manager and a team leader for an annualized savings of $1.8 million. How many of these invisible scenarios do we all have in our operations?

Key Takeaways

- Savings from call avoidance can be significant in any operation and the ROI is compelling. As such, call avoidance strategies should be viewed as a continuous reduction cycle, with full resources and engagement of this strategy at all levels of an organization. As the organization grows, new products, new processes, new systems and web updates can all add new call drivers and add to the expense of the call centre. Managing costs requires managing call drivers as a regular activity.

- This is not a contact centre stand-alone project -- this is an Organizational cross-functional strategy. Success requires top talent from several teams – some project dedicated, some infrequent subject matter experts. One of our Innovator companies had enormous success so recommends using a 3rd party program leader to focus on customer needs, cut through politics and bring call reduction expertise into the program. Implementation also includes engaging the front lines early and keeping them involved in the continuous reduction cycle.

- There is a specific methodology framework for Call Reduction:

  Data → Analysis → Planning → Testing / Implementation → Post-Implementation Scrutiny → Repeat

While this seems self-evident, too many companies take shortcuts at the Data and Analysis phases and jump prematurely to solving the wrong issue and getting only part of the benefit. Above all else successful call reduction requires the discipline of great execution. Ensure your project team follows a standard methodology with rigorous milestones and objectives at all stages.

- As one participant suggested; “Start with taking the stupid out of the business”; there are always process and policy solutions available to you before you need expensive tech solutions. You can:

  - Simplify product and marketing offers;
  - Fire unprofitable customers;
  - Remove errors or confusing wording from marketing and billing processes;
  - Write FAQs with responses that actually satisfy customer needs and do not generate another inquiry.
  - Take extra steps out of the order cycle →speed up turnaround time → reduce status calls
  - Push low value transaction on-line (using tech-lite); and
  - Improve agent proficiency on your most frequent call types.

Call Reduction - Organizational Insights

- You need to have a dedicated project team – size depending on ambition -- and the most knowledgeable people from supporting teams as subject matter experts. The team should include Call Centre, Marketing / Sales, IT, Back Office support, Workforce Planning, QA, Risk (for Financial Institutions) and a strong Business Analyst. Often engaging a 3rd party to lead the program gives you an objective view of the customer experience, avoids excess politics, and frees you from too much dedication to the legacy approach of past years.

- Streamline the reporting and sign-off bureaucracy. Any project team that needs four levels of sign off will not be successful. They should have easy, quick access to you as sponsor and decisions should be made thoughtfully but without delays.

- Set this up for continuous improvement success, this is not a one-time project. There are many quick wins and small victories that add up to lower call volumes but they often will be overlooked in a project team culture looking to make a big impact. Bunts and singles add up to a lot of runs.

- You will need to sell this to the executive team for funding and resources, IT priority and to support your team. Three things will help here:

  1) Using a standard methodology lowers the view of implementation risk.

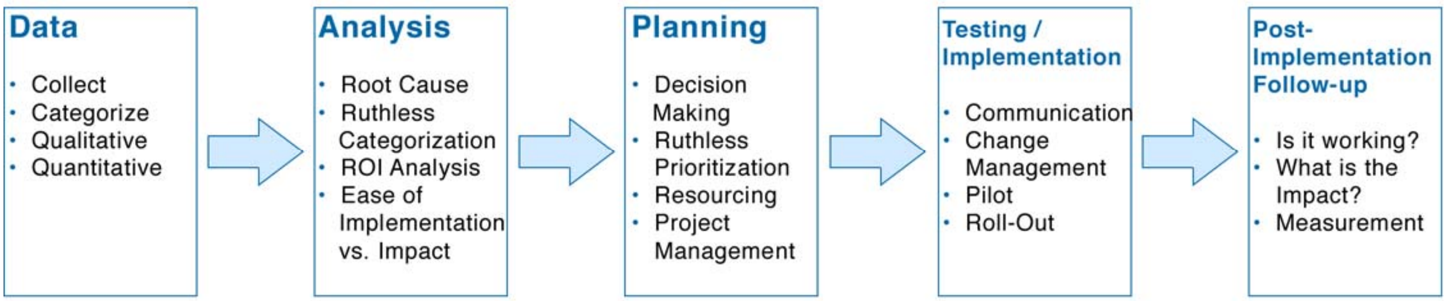
  2) Properly defining the difference between high and low-value calls – the ones you want and those you do not.

  3) Presenting an ambitious ROI will win you resources. You have to compete with other important initiatives.

Communicate honestly about what is happening throughout the implementation and make sure you have some successes early.

Let's start with a standard methodology that you can measure against.

The Framework for Call Reduction Success



a) Collecting Data:

Contact Centres have an overabundance of data and the accuracy of wrap codes, QA results, take rates, escalations tracking is often suspect. Ensure you have a talented business analyst on the team who knows how to source, pull, categorize and analyze all the various data sources from all the different silos. Don't underestimate the challenge in doing this well so that the subsequent analyses are accurate.

Ensure your team does not ignore the very valuable insights from your front line Agents and Supervisors. Nobody knows better which calls most upset customers – in fact, starting with front line focus groups and using quantitative data to validate or discount their views is a very good way to quickly focus on key areas. To mitigate potential anxiety over job loss, keep agents informed about next steps and outcome of the project, and show them how call reduction of low value calls frees them up for more important calls. Your team will need their positive energy throughout.

This stage ends when your project team has properly categorized your call drivers into customer driven or business driven with sub categories of satisfied callers versus not satisfied callers. These criteria will help the analysis and establish the priority set.

Don't overlook multiple sources of data that can be procured without the use of expensive technology. To get started; your QA team can easily listen to and time select calls to uncover the most expensive and repeat call types. Also, we are not just call centres; e-mail also represents a huge source of cross contact and expense.

b) Analysis:

One of our Roundtable Leaders is an on-line retailer who developed a profitability calculation that measured the total cash contribution of each customer to the business. The calculation was applied to a specific list of customers, who because of repeated calls into the Call Centre -- with a litany of complaints and product returns – were unprofitable. Subsequently, the customers were contacted and then graciously asked to "cease and desist" these behaviours. 70% complied and are profitable customers today while 30% took their dissatisfaction hobby elsewhere. This program resulted in more profits for the business and freed up the agents to focus on customers that were actually providing a contribution to the bottom line. Without a thorough profitability analysis this problem might never have been adequately resolved.

After a thorough categorization of the drivers, there are a number of "benefit vs. impact" filters that your team's analysis should consider.

- Most frequent and highest AHT calls. More and longer = higher cost.
- Is it a customer dissatisfaction call to eliminate or a transactional call that might be more convenient converted to a self-serve function? Eliminating those drivers that upset your customers should be first priority.
- Is there a lost revenue opportunity by eliminating the call? Do you know the revenue impact?
- The number of contacts to final resolution – these are the highest dissatisfiers for customers. Find out which calls:
    - Seem to lead to the most escalations and,
    - Cause your agents the most stress to resolve and,
    - Never seem to get resolved to the customer's satisfaction due to policy or procedures.

Note: You only need about 300 calls per queue type to get a statistically valid sample so you should be able to collect this in weeks and keep moving forward – do not lose momentum awaiting additional data that may be redundant.

There are four simple questions that drive the analysis of policy and procedures. You will often find that the lack of answers will point you to a huge opportunity to do it differently.

1) "Why do we do that?"
2) "What value does it offer the customer or the company?"
3) "Why do we do it that way?
4) "What other options do we have?"

It cannot be stressed enough: Most call volume is not caused by the contact centre although they of course manage it all. Other departments typically generate the call drivers and must step up to own the accountability to help reduce them. In every company, good diagnostics will come to the same conclusion.

c) Planning:

Be systematic, move with urgency, fix only five, then after achieving successful implementation reconvene the team and plan to fix the next five. Do not let the team fall into "checkbox" mentality and hurriedly move on to #6-10 while two of the first five have caused new customer-facing problems and new call drivers. Support them being thorough – this will help your long-term operation. Also, don't let the team focus be on reporting to the executives instead of doing the work. Manage the project, not perceptions.

We will keep this simple – *Keep it Simple!* The Roundtable Leaders have been part of companies that choked on call reduction plans that had over 60 fixes – few companies have the skills and culture to track that many parallel initiatives and the resulting customer impacts. Think Ruthless Prioritization!

Most companies have decent project management capabilities and so we will not try to improve on your practices in this article. A few key insights, however, for call reduction initiatives:

- It is OK to plan for long term strategy but translate these into specific, outcome-based milestones and also ensure the team is not neglecting short term opportunities. Get started with simpler call drivers (a policy change, remove a handoff, a simple transaction moved to IVR) and start creating successes. Once you have implemented the short-term wins, go after the long-term (which often includes more complex system changes).

- Ensure you have realistic timelines – this should be calibrated with other priorities rolling out to the Call Centre. Allow enough time for testing, measuring and follow-up. It is the Executive's role to maintain project urgency but do not let that lead to poor execution from short cuts and insufficient planning.

d) Testing & Implementation:

The Roundtable Leaders like the Apple Computer strategy of a test, fail quickly, correct, test again and succeed. The concept of test quickly and fail quickly means minimizing the impacts on customers and getting to the right end-state sooner. It is critical to test each initiative (or even early assumptions) and leverage what you learn versus prematurely starting a mass implementation and having to cleanup the customer facing mistakes afterwards. It is not success if your call reduction strategies drives new calls or creates new problems.

Make full use of your Agents and Supervisors who are closest to customers. Train them well, check for understanding of the new process or policy explanation, respect their feedback, and provide a "help-line" during implementation. Many companies have found that having agents as part of their core call reduction team helps with identifying issues and gaining employee buy-in quicker. Keep them informed well in advance -- very little will implement well in the Call Centre if the Agents and Supervisors don't want it to succeed and thus participate fully.

- Keeping dedicated resources focused year-round on this activity and business objective. Ensure it is communicated as an essential activity not a one-time event. Create liaison positions from all key teams on the project who regularly analyze and develop new call reduction plans. Don't just keep minutes – rather, create well-conceived communication briefings that are easily and consistently shared across the organization without rework.

- Formalize the activity under a specific VP who has executive ownership for specific call reduction targets. Ensure it is included in the annual budget process so call reduction is allocated the appropriate operating and capital expense needed after proving the ROI.

- Build into the Contact Centre operations a feedback loop for quickly capturing new issues and customer dissatisfiers and improve your ability to match quantitative with qualitative data as a prerequisite to move into planning.

- With any major change initiative, be sure to do project branding and communicate your successes. One SwitchGear change project for a Roundtable delivered an internal brand with logo, tagline and visual style, and frequent company-wide communications kept executives to agents committed through long stretches of the project. The people on the team want to know they are working on something worthwhile and those not on the team need to support you with budget, decision making, resources and advice. Success builds purpose, commitment and momentum – do not ignore this activity.

- Ensure that you are able to properly measure your results and can point to the degree of call reduction from each initiative. The area of measuring accurately can be a slippery element to get right but it is critical for your project and company success.

e) Post-Implementation Follow-up and Scrutiny

It is important to closely monitor and manage improvements against the initial plan. To ensure that improvements accomplish what they had set out to do:

- Use regression testing to ensure that new improvements do not inadvertently “break” something else.

- Keep control over the changes to keep the process on the new course. Don’t handoff into “run-state” too early.

- Sell the benefits and value to help make change permanent and prevent reverting back to the "old way".

- Develop, document and implement an ongoing monitoring plan with clear accountabilities.

- Institutionalize the improvements through the modification of systems and structures (staffing, training, incentives)

Other Strategies Implemented By The Innovators' Roundtable

We would suggest to the reader that the following is closer to a "must do" list than a "nice to do" list. There are many call reduction ideas and while the ones below may not be appropriate for your operation, it is clear that there are drivers that can be removed -- it is not too late to get started.

1) As cited above, our online retailer who "fired" some unprofitable customers reduced monthly calls by 3%, added $130,000 to the bottom line, and took some of the most stressful calls out of the centre.

2) Realizing that some of their most profitable wealth-management clients were dissatisfied with waiting in long queues and being subjected to the regular policies and processes for the mass market, one Roundtable Leader in financial services created a special wealth management queue with specialized training, new policies, and streamlined processes. This reduced calls in the main queues, reduced the cost of training a larger group, and improved customer satisfaction scores by over 1,000 bps for their most profitable clients.

With frontline agents typically receiving 5-8 new communications every day, there was discussion at the Roundtable about the need to communicate well to the front lines a strategy to reduce calls. It is questionable execution to allow multiple support teams to manage their own communication to the Call centre with no one accountable for the quality and clarity of those communications. What does it cost you to have 26% of your Reps not clear about what to say to customers? Or 32% who did not know about an important billing change and find out only when customers call in? With the ever-increasing complexity of programs flowing through your centre, there is a need for the *skill* of communication to keep up. This requires a dedicated focus and accountability.

3) One of our Roundtable Leaders (in transportation) reduced inquiry calls by asking a Call Centre consulting group to review their online FAQs (which had not been updated in 2 years) to improve the way information was organized, to clarify the copy, change navigation for easier reference, and add missing questions. On basic inquiries, calls reduced by 11% in two months.

4) A Roundtable Leader (also in transportation) aligned all customer- facing departments including the Call Centre and Marketing teams under one vice president with one common vision to build customer loyalty. They created a continuous set of objectives, processes and accountabilities for Call Reduction and simplified the customer experience. This same Roundtable Leader requires all new employees to sit in the Call Centre to experience the "voice of the customer" first hand and understand the impact their roles will have on call volumes.

5) Another Roundtable Leader described a global retailer with very broad and complex range of electronic products who used Live Agent triage with great success. In this model, customers bypass the IVR and get a live agent who uses well-honed questioning skills to redirect the call to the right agent. This upfront investment of 20-30 seconds paid-off as customers loved the personal approach and overall payroll costs reduced due to fewer transfers and rework.

6) Having implemented this in the past with success, SwitchGear recommends adding a call impact validation to the campaign management process. This would include passing rigorous communication and call driver guidelines and having the call centre sign-off that the campaign won't add costs (i.e.; confusion) to the call centre. It takes time to do this well without panicking the marketers (read: not enough lead time) but over time it has an enormous impact on improving customer experience, maintaining headcounts and encouraging disciplined execution.

About the Innovators' Roundtable

SwitchGear Consulting initiated the Innovators' Roundtable in October 2008. This event was launched after several clients mentioned the lack of opportunities for executives in the Canadian Contact Centre industry to discuss and solve the key problems of our day. This group has banded together not as competitors but as partners to tackle these issues.

The following are the pioneers of the Innovators' Roundtable. We look forward to our next one.

Peter Berczi -- VP Wireless Customer Operations, Rogers Communications **
Réal Bergevin -- GM Transcom (previously Nucomm international) **
Patsy Bertoia -- Managing Director Customer Service, FedEx Canada **
Dave Burns -- COO and SVP Operations LoyaltyOne (Air Miles Reward Program) **
Beth Carver – VP, Client Care, TELUS
Mike Hayes – SVP, Customer Contact Centres, Scotiabank
Graham Kingma -- VP, Customer Experience. The Shopping Channel, Rogers Media **
Richard Litvack -- VP Operations, Citi Cards Canada **
Greg Root -- VP of Customer Experience, Bell Canada
Marco Sciarra -- Director, Channel Care, TELUS **
Scott Williams -- Associate VP, Canadian Tire Financial Services

** For those able to attend at our first Call Reduction dinner – thank you for your thoughtful contribution!

3-4 more events are planned for 2009. Stay tuned for more Strategic Insights papers.

Regards,

Afshan Bye, Winston Siegel, Bruce Simpson

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to learn more about how to implement the above strategies contact:

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