LEAD THROUGH LISTENING
EMERGING TRAITS FOR THE CONTACT CENTER LEADER

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It is hardly an easy time (if there ever was one) to lead a contact center. The past two decades have been a blur of ceaseless change in how companies connect with their customers. The digital revolution, and more recently, the emergence of mobile technologies, have raised customer expectations and spawned new demands for constant connectivity, access, and convenience across interaction channels. This has cost fortunes to build and challenged almost everything companies knew or believed about service and dealing with customers.

The revolution is far from over. With these new demands, we see the role of contact centers fundamentally changing. In the banking industry, for example, “simple” interactions such as checking a statement balance or paying a bill has shifted away from the phone channel. However, consumers still look to pick up the phone to address “complex” inquiries such as addressing a serious account issue. In fact, contact centers remain second only to physical locations and stores in utilization for these complex tasks. This poses a unique challenge. These “complex” tasks tend to be the same moments of truth that companies have to create outsized affinity and deeper customer relationships. They are also more difficult to address, and require rethinking the configuration, operating model, and talent model of the contact center in order to deliver.

This is a challenge that very few have solved. Continuing with the banking industry example, we recently did a study of customers who switched checking accounts in the last 6 months (“switchers”). We found that these customers encountered their largest “hassles” in interacting with their banks while engaged in transactions typically performed over the phone. By contrast, almost none of the top sources of “delights” came from phone interactions (see Exhibit 1 below).

Exhibit 1: Banking industry example – Customer hassles and delights

<table>
<thead>
<tr>
<th>TOP HASSLES</th>
<th>% SWITCHERS WHO FOUND IT A HASSLE</th>
<th>ASSOCIATED CHANNEL</th>
<th>TOP DELIGHTS</th>
<th>% SWITCHERS WHO FOUND IT A DELIGHT</th>
<th>ASSOCIATED CHANNEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials to explain products</td>
<td></td>
<td>Phone</td>
<td>Finding information</td>
<td></td>
<td>Mobile</td>
</tr>
<tr>
<td>Banks’ efforts to understand your needs</td>
<td>68%</td>
<td>Phone</td>
<td>Materials to explain products</td>
<td></td>
<td>Branch</td>
</tr>
<tr>
<td>Bank helps pick right product</td>
<td></td>
<td>Phone</td>
<td>Employees’ knowledge</td>
<td></td>
<td>Branch</td>
</tr>
<tr>
<td>Banks’ follow-up</td>
<td>52%</td>
<td>Phone</td>
<td>Finding information</td>
<td>51%</td>
<td>Online</td>
</tr>
<tr>
<td>Offered additional products</td>
<td>50%</td>
<td>Phone</td>
<td>Advice on banking/financials</td>
<td>47%</td>
<td>Phone</td>
</tr>
</tbody>
</table>
If you lead a contact center today, the reality is that your job description has completely changed, likely more than you or your colleagues realize. Customer experience is now the Holy Grail of every business and there is no greater opportunity (or risk) to deliver that superior experience and extract value than a contact center. You are no longer a back office service provider. You are a critical weapon in the organization and fundamental to realizing your organization’s strategy.

So how should you think about your role? Oliver Wyman has been working across industries to transform contact center operations. We see three core characteristics that contact center leaders must adopt to succeed, all of which are quite different from what you might have associated with this role only a few years ago.

1. THE CONNECTOR

Upstream and downstream communication can be a powerful tool. Firms such as Honda did this effectively in the context of automobile manufacturing. Using many of the principles of agile, they would enable upstream designers/engineers of products to work with the downstream manufacturing and the supply base to ensure that products were designed to be efficiently and accurately assembled. In short, their groups talked to each other regularly to continuously improve, manage design conflicts and made real time trade-offs related to design for assembly.

The same principles apply when your goal is to create a flawless customer experience in the contact center. How do you create a high quality interaction that avoids re-runs (or, in this case, call-backs or transfers) and delivers cost effectively (or, in this case, without undue investment of agent time)? Traditionally, contact centers have looked inwards, and re-engineered scripts and procedures to optimize an interaction. But very few assess repeat customer questions and problems, and look beyond the contact center to see where problems are arising. For instance, we have found that many of the root causes associated with call complexity are created elsewhere, such as a problem with a self-service system, or a fault in an application form.

Most contact centers generate the data they need to solve these challenges, but few routinely turn this data into actionable knowledge. And even fewer devise systems to ensure that that knowledge gets into the right hands in a timely fashion. The key is to create feedback loops between those designing the experience and those delivering it through the contact center.

This means that contact center leaders need to step up to the plate and connect what they are seeing with other parts of the organization. That means ensuring that the contact center is capturing data, investing in assessing and understanding it, and partnering with the rest of the organization to identify and address root causes. It also means that contact centers must participate much more actively in upfront product and experience design. It is appealing to believe that potential users of customer data will seek it out. In practice, there’s nothing like an aggressive leader pushing data out and looking for opportunities to make strategic improvements, not just in the contact center but throughout the organization.
2. THE INNOVATOR

Contact centers are people-intensive operations, and require substantial investment to maintain. Unsurprisingly, they have traditionally been regarded as cost centers, and subject to evergreen expense targets, waves of outsourcing and tight capacity management.

It is no surprise then that many contact centers are placed with leaders who are seasoned operators, with an eye for efficiency extraction. Yet, in a world where customer experience is the source of differentiation, counting pennies is no longer an option.

A vast array of disruptive technologies promise to fundamentally alter the experience that contact centers can provide (see Exhibit 2). Artificial intelligence, for example, has the potential to infuse the entire service experience with deeper, richer insights about customers. They point the way to a future in which technology can migrate interactions away from physical agents while also augmenting the issue resolution capabilities for those who remain and dramatically enhancing the organization’s ability to capture actionable information from every transaction.

Exhibit 2: Examples of disruptive technology innovation across the call lifecycle

- **Proactive outreach**: Identify likely callers through analysis of account data and call history of alike customers
- **Biometrics**: Confirm customer identity through voice recognition or other input (e.g., fingerprint on smartphone)
- **Social media responses**: Respond to inquiries via social media platforms
- **Personalized IVR**: Customized IVR menus based on customer profile (e.g., frequent call types, products own)
- **Virtual hold**: Customer can maintain place in queue and schedule call-back rather than waiting
- **Virtual agent**: Chatbots, voice-enabled access and interactions through application of artificial intelligence
- **Capacity management**: Ongoing analytics performed to predict and analyze call volumes and match agent staffing across queues
- **Mediated interaction matching**: Agents assigned to clients based on tested personality traits to drive improvements in service quality
- **Supervisor speech analytics**: Natural Language Processing to identify real-time calls requiring intervention for churn language, next best actions, etc.
- **Gamification**: Use instant gratification or low levels of competition between agents to inspire improved performance
- **Sentiment analysis**: Assess customer experience (e.g., NPS) based on verbal cues without surveys
- **Next best action**: Instant prompts for agent based on customer profiles/ responses
Some of these will offer immense opportunity and require investment and exploration. Others may be costly distractions. The more promising technologies will require thoughtful integration, and substantial changes to processes. So gone are the days of meeting cost targets and driving marginal gains. Contact Center leaders have an added mandate to look out into the marketplace, dissect investment opportunities, manage a pipeline of proof-of-concepts, and continuously reinvent operations leveraging technology.

3. THE PEOPLE PERSON

No matter how impressive the analytics or technology, at the end of the day, contact centers are about the people within them and their ability to serve clients effectively. As interactions with customers in contact centers get increasingly more complex, a single agent now increasingly needs to manage multiple dimensions of a conversation from issue resolution to product education to sales and up-selling. They must adapt to new product variants and features as customers demand more customization. And they must do all of this not just on their old telephony platforms, but now access customers through new avenues such as social media and chat.

The contact center of the future is likely to employ fewer people, but they will be more valuable to the organization, more broadly skilled, and more empowered. Think of the agents at Amazon’s contact center, who are empowered to go beyond the typical levels of support to ensure customer questions are answered at first instance, including being armed to make decisions on refunds while investigations occur behind the scenes.

All of this entails substantial investment in people, and people management. As such, many organizations that have historically operated fragmented contact centers as support extensions of individual business lines are now consolidating them under a single leader and to give the function stature. This also paves the way to share expertise, learn from each other to ensure consistency of experience, and create structured retention strategies and career paths for staff.

Beyond organizational structure, a wide variety of innovations are emerging to create more flexible operating models for staff and create corresponding benefits in terms of productivity, satisfaction, and ultimately retention. For example, the home-based agent model used by many airlines has not only created greater ability to ramp-up / down staff to match seasonality, but greatly improved employee satisfaction and reduced churn as a result.

Traditionally people management in contact centers has been a volume business. Most contact centers face double-digit attrition rates and exceptionally high re-training and onboarding costs. As talent needs change, leaders of contact centers must spend significantly more on people management, productivity, and engagement.
THE OPPORTUNITY AHEAD

Below are a few fundamental questions that contact center leaders must be able to answer to feel comfortable they are maximizing the value of this critical function and expressing these previously largely untested personas.

KEY QUESTIONS FOR THE CONNECTOR

• Does your organization have a clear customer care strategy and a view of how this strategy should be reflected in contact center operations?
• Is your contact center’s strategic roadmap getting sufficient visibility, focus, and investment across the organization?
• Do you understand your key customer care ‘hassles’? Are you continuously gathering data across interaction points and creating feedback loops with upstream and downstream functions to address root cause?

KEY QUESTIONS FOR THE INNOVATOR

• Do you have a concrete investment plan for the contact center? Does it have the right mix of tactical upgrades and bigger bets to transform performance?
• Are you continuously evaluating emerging technologies and running proof-of-concepts to understand their viability?
• Are you learning from new customer service models across industries?

KEY QUESTIONS FOR THE PEOPLE PERSON

• Do you understand the key drivers of agent productivity and engagement in your contact center? Are you correlating traits of top performing agents to your recruiting profile?
• Are you gathering agent feedback on the performance management model? Is it commonly understood and driving the right types of behaviors?
• Do you have a clear talent management strategy for your contact centers? Are your human capital, training, and contact center teams partnering to execute against it?

There is a real opportunity for organizations to elevate the performance of contact centers, meet rising customer expectations for service, and capture value. In our experience, those who have recognized the strategic importance of contact centers are actively deploying these three personas and ultimately, winning. The majority, however, continues to operate with a legacy mindset and tend to be besieged by performance issues and mounting customer dissatisfaction. An honest self-assessment is necessary and it starts with ensuring that these three personas are given the voice they have not had before.
About Oliver Wyman

Oliver Wyman is a global leader in management consulting. With offices in 50+ cities across 26 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm’s 4,000 professionals help clients optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is a wholly owned subsidiary of Marsh & McLennan Companies [NYSE: MMC]. For more information, visit www.oliverwyman.com. Follow Oliver Wyman on Twitter @OliverWyman.

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