



SAP White Paper



CALL CENTER TRANSFORMATION

Turning Customer Experience into Profits

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EXECUTIVE SUMMARY

“Thank you for calling. We’re sorry, but all our lines are busy right now. Your call is important to us. Please hold, and our next available representative will be with you shortly . . .”

While any company should be more than happy when a customer calls, too often it seems that your call is far from being as important as you’d like to think, when you are forced to wait an indeterminate period of time to speak with someone. Customers wait, get lost inside a maze of options, are disconnected during transfers, and become frustrated when a call center agent cannot help with a simple question or – even worse – fails to process a request accurately, which comes to light days or weeks later.

Running a call center efficiently while meeting customer expectations is a challenge that many organizations have not been able to meet – just think about your own experience as a consumer. Some organizations fail to get even the basics right. Most are far from turning their call centers into strategic assets, missing opportunities to foster customer relationships and drive incremental revenue.

But it doesn’t have to be that way. Leading companies have shown how to run call centers efficiently and provide excellent customer service. To make the most of every call and operate your call center at reasonable cost, it is important to understand the economics of call centers and the need to carefully balance efficiency and effectiveness. As interaction with customers – and customer service encounters in particular – has become an important source of differentiation, leading organizations boost their call center performance by focusing on customer experience, while at the same time keeping a firm grip on costs by leveraging the full potential of state-of-the-art technology.

To yield best results when implementing call center technology, it’s important to get the basics right. Based on the experience of best-run call centers, we have identified six critical principles that can make or break overall call center performance: ensure availability, resolve the customer problem, know your customer, transfer calls intelligently, optimize the agent’s workplace, and control call center operations with the customer in mind.

Focusing on these principles is absolutely key to success. In addition, more advanced organizations should consider taking advantage of emerging trends that will significantly affect how call centers operate. Information technology is about to transform traditional call centers into interaction hubs that support multiple channels, operate in virtual models, generate revenue, and enable shared services.

THE CALL CENTER: A CRITICAL INTERFACE WITH YOUR CUSTOMERS

Most organizations today enable their customers to contact them by phone or e-mail. Customers call to make reservations, place or change an order, inquire about prices and product availability, get product information, ask for technical support, file claims, request order status or account information, complain about a product or service, pay their bills, dispute an invoice, cancel a service contract, and update address and contact data – among many other reasons.

To deal more efficiently with this variety of customer requests, organizations with a considerable volume of calls have created what are commonly referred to as call centers. Call centers go back to the mid-twentieth century when companies started to create special organizational units to provide customer service over the telephone on a larger scale. Also called service centers, contact centers, interaction centers, or customer service hubs, call centers provide an important channel for companies to connect with customers. Many organizations also use call centers to proactively reach out to customers and prospects, so the communication is both inbound and outbound.

Managing Customer Interactions in a Call Center

In many organizations, the call center has become a central element of customer relationship management, serving as a strategic channel for service, sales, and marketing. In some industries, call centers handle a great part of all customer interactions and contribute substantially to new revenue. In fact, many companies can't imagine running their business without a call center.

Call centers require significant use of technology – and thus are often defined by a set of information and communication technologies. The key to their operational efficiency and effectiveness, though, is their organizational structure and specific approach to coordinating and handling interactions. Incoming call traffic (inbound calls) is managed centrally: calls are received through central corporate service numbers, queued

centrally, and distributed to individual employees based on rules and availability. The individual employee, often referred to as the call center agent, and the calling customer have limited or no control over who the other party will be for any given interaction. This concept can be extended to other communication modes such as Web chat, e-mail, letters, and faxes, transforming the call center into a universal contact or interaction center.

Call centers have emerged because they have optimized mediated communication between companies and customers. The flexibility of this type of communication allows companies in many industries to provide a personalized and highly interactive service experience, building up customer relationships while maintaining a reasonable cost-per-contact ratio. But there are challenges.

Challenges of a Complex Environment

Today, call centers (or interaction centers) operate in a challenging and complex environment: Customer expectations regarding the convenience, reliability, and speed of interactions with companies are on the rise. The proliferation of products, segments, channels, and geographies require a much broader knowledge base to handle questions and issues effectively. And the pressure to reduce costs is growing. At the same time, customer service is viewed as a key differentiator, as customer satisfaction has become a major concern for CEOs. There's increasing importance placed on harvesting the installed base of customers versus acquiring new customers. Service revenue as a percentage of overall revenue has grown significantly. In some industries, postsale services contribute up to 80% of profit. Margin pressure is increasing as top executives expect continuous productivity gains and demand revenue generation, while customers expect free and highly personalized service. To make things even more difficult, many organizations' call centers face high agent turnover, low skill levels, and patchwork system landscapes – conglomerates of diverse information and communication technologies.

Most organizations today still struggle with these seemingly overwhelming challenges. Their predominant focus is on cost reduction via outsourcing and basic automation. But their efforts to curb operational expenses may alienate customers and eventually erode profits. The best-run businesses have started to shift their focus toward balancing efficiency with customer experience and creating additional revenue streams. They have consolidated service and customer interaction platforms and implemented front-line decision support systems to improve effectiveness, provide differentiated service levels, and better identify sales opportunities. They understand the importance of integrating interaction channels; connecting customer service

to marketing, sales, and product development; and tying front-line interaction to critical back-office transactions. They respond to a polarization of service needs by providing different service offerings and channels to high-end and low-end customers, as well as by leveraging new operational models that include distributed contact centers, home agents, and self-service options.

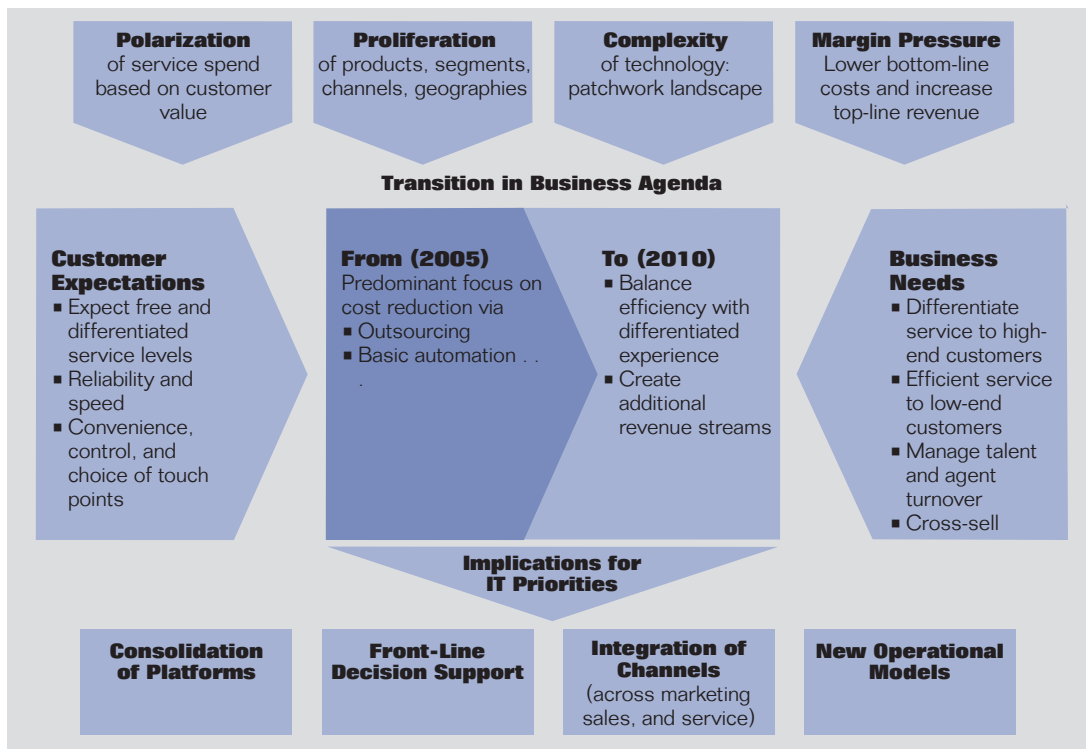


Figure 1: Challenges and IT Implications of a Dynamic Call Center Environment

Case in Point: Improving Customer Experience

Situation: A global high-tech company serving both consumers and business customers recognized its need for a broad customer-focused strategy across multiple customer touch points. The company's customer care center has been and continues to be its primary face to the customer. More than a dozen call centers across North America, Europe, and Asia Pacific – both in-house and outsourced – provide technical support and serve as a sales channel. However, disparate solutions, systems, and databases caused inconsistent call handling, order management, and service resolution. Agents at different call centers worked in completely different environments, used different tools at each location, and had to access multiple systems to check product registration, get product and price information, and take orders or provide technical support. Toggling between different systems took up time and caused inconsistent problem resolution; hence, customer satisfaction was declining. Other channels such as the Internet were not integrated at all.

Objective: The company's goal was to better meet the needs of customers through an improved customer experience and to generate insight into customers for use across the enterprise from product development to

marketing, sales, and service. It developed a plan to move step-by-step from diverse regional, departmental, and tactical implementations and myriads of mostly siloed systems to multichannel coverage from a single software instance. The customer care center, being most critical to the business, was the logical starting point for the journey, which began in North America and was then rolled out (with the adoption of regional distinctions) to Europe and the Asia-Pacific region.

Results: With the new implementation, the company created a single instance for customer data, product and price information, order management, and service resolution, replacing the existing patchwork landscape. It was able to streamline sales and service workflows, eliminate costs, and increase revenue by providing customer service agents with easy access to up-to-date information. Standardized tools and processes based on best practices across in-house and outsourced call centers helped ensure consistency and provide one face to the customer. The company also extended the interaction channels to the Internet, providing customers with an intuitive e-commerce Web site and easy-to-use online self-services that were fully integrated with the customer care center and back-office fulfillment processes.

ESCAPING THE CALL CENTER QUANDARY: EFFICIENCY VERSUS CUSTOMER EXPERIENCE

To run a successful call center, a company must balance efficiency with a positive customer experience. The following sections explore how both can be achieved.

Understanding Call Center Economics

Compared with other communication options, the advantages that call centers or interaction centers have are their relative cost and flexibility (see Figure 2). For many industries and situations, call centers potentially offer a “best value” type of communication.

In general, there are three communication options that companies can use to interact with their customers: automated, mediated (centralized), or face-to-face. With automated communication, the company or provider side of the communication is handled directly by a technical system (an example is Internet

sales). In mediated communication, technology or media are used to help facilitate a person-to-person dialogue between a company and a customer. Face-to-face communication takes place between a company and a customer directly. Typically, the cost per contact (in U.S. dollars) in an interaction center is reported in the single or low double digits. The cost per contact for automated interactions is usually less than US\$1, while costs of a face-to-face contact can easily exceed US\$100. But though it is very attractive from a cost perspective to move as many customers as possible to fully automated interaction channels, flexibility of these systems is limited, and not all customers consider self-service to be as convenient as a phone call. Obviously, more complex questions, multifaceted services, and difficult transactions warrant human interaction via a call center, and the additional costs and time associated with it, in order to provide value to the customer – an option still much less expensive than face-to-face interaction.

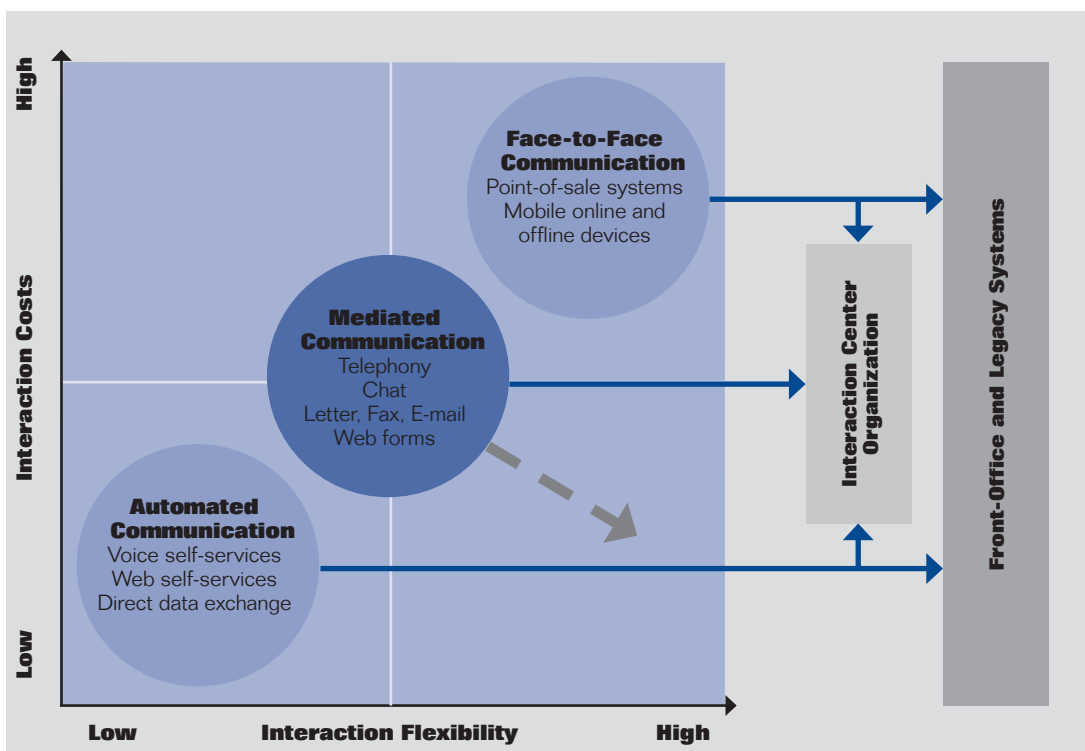


Figure 2: Interaction Costs and Flexibility of Interaction Channels

What makes call center interaction so unique is that, unlike fully automated interaction enabled by an online self-service or a voice portal, employees interact with customers and process their requests. Call centers are easy for customers to use – they simply pick up a phone. There is no need to make an appointment or any effort to overcome a physical distance (as would be required for meeting face-to-face). Communication in call centers is not limited to a rigid, predefined interaction process that is the case with an automated voice portal or Web dialogue. The call center agent is able to react more flexibly to what the caller introduces to the communication. Finally, call centers can be used to support other interaction channels. For example, customers that struggle with automated communication options can be offered the opportunity to branch to a call center through a dial-in number on a self-service Web site or by an option to transfer to a live agent in a voice portal dialogue. Furthermore, call center services can be provided to the field sales force, providing additional support when salespeople are engaged in face-to-face interactions.

In all interaction channels between companies and customers, technology can be used to decrease costs and improve flexibility. Newer technology includes knowledge management systems that support organizational learning and natural language processing that replaces cumbersome interactive voice response menu-option selection. To the extent these technologies are used with an interaction channel, the traditional cost per contact can be reduced and flexibility can be increased (indicated by the arrow in Figure 2).

Avoiding the Efficiency Dilemma

While call center technology is generally implemented to improve service efficiency, many companies tend to ignore the negative impact that some actions can have on the call center's effectiveness in fulfilling its core mission: meeting customer needs. Cost savings achieved by striving to improve call center efficiency – for instance, by unreasonably reducing average call-handling time – are often outweighed by the negative impact of ineffective problem resolution, measured by declining customer loyalty and missed (future) revenue opportunities. While efficiency may help you stay in the game, effectiveness is what enables you to win.

Inefficient processes are costly, which is why organizations must eliminate duplication of effort, automate rote tasks, reduce waste and rework, better utilize resources, and streamline entire business processes. But ineffective processes are costly as well when they don't deliver on an organization's value proposition. They can result in a negative customer experience, more customer complaints (leading to a higher call volume), and higher churn rates, and eventually destroy market share.

Efficiency doesn't matter unless you take the right actions – that is, actions that contribute to providing your customers with the value they require so you can get the value you require in turn. Making bad processes faster or simply less expensive doesn't help – that's not what customers want. For the customer, the call center interaction is a central experience, a "moment of truth" in his or her relationship with a company. This situation imposes large demands on the knowledge and effectiveness of the call center agent in order to solve the customer's problem. The almost frantic urge of many organizations to gain efficiency through reduced operational costs may end up alienating customers and eroding profits.

We have all experienced what happens when call centers do not operate effectively. Customers have to wait, get lost, become disconnected, or are transferred multiple times. And on the other side, call center agents have to toggle between a frustrating number of different systems to resolve an issue – if they have access to the right systems at all. In many cases, agents ultimately cannot help the customer, and issues are not resolved during the first call. Making things worse, companies often don't leverage customer insights gained from previous interactions and thus miss out on important opportunities to improve customer loyalty or turn around a negative experience.

To be successful, organizations need to strike an appropriate balance between efficiency, through reducing costs, and effectiveness, through resolving the customer's problem or issue on the first call and ensuring a positive customer experience. The right use of technology can help improve efficiency without compromising effectiveness. This can help you increase your call center performance without excessively increasing the time agents spend on the phone with customers.

The following sections will provide some guidance how companies like yours can achieve this balance today, and how technologies can help you achieve even greater benefits in the future.

GETTING THE BASICS RIGHT TO MAKE THE MOST OF EVERY CALL

Top-performing call centers leverage information and communication technology to drive increased customer satisfaction and profitable long-term customer relationships. They focus on key elements that improve overall call center performance and contribute to excellent customer experience. These include handling peak loads and random call arrival to ensure high availability; providing a shared knowledge repository to enable high rates of first-call resolution; keeping control of the process with standardized call and work flows; giving call center agents access to all related tasks from a unified desktop; and using the right tools to manage and analyze call center operations.

Ensure Availability

Customers don't like to wait; they expect calls to be answered in a timely manner, so any measure that helps reduce wait time on the phone and ensures consistent agent availability improves effectiveness. Intelligent routing systems can balance the load among agents and different call center locations to shorten wait time and improve resource use. Managing the workforce to better balance peak and idle times can also help avoid overstaffing and minimize wait time for customers.

	The Customer Perspective	The Company Perspective	
		Focus on	KPIs to use (examples)
Ensure Availability	Customers hate to wait	<ul style="list-style-type: none"> Workforce management Flexible staffing Intelligent routing 	<ul style="list-style-type: none"> Average speed of answer Service level Abandonment rate (in queue)
Resolve Customer Problem	Customers want reliability and speed	<ul style="list-style-type: none"> Agent empowerment Back-end integration End-to-end processes 	<ul style="list-style-type: none"> First-contact resolution Average and maximum number of transfers per call
Know Your Customer	Customers want personalized service, tailored to their needs	<ul style="list-style-type: none"> Customer history (360-degree view) Channel integration Customer value 	<ul style="list-style-type: none"> Customer lifetime value Customer churn rate Repeat buying rate
Transfer Calls Intelligently	Customers don't want to get lost and don't want to explain everything twice	<ul style="list-style-type: none"> Minimize transfers Smart rerouting Context forward 	<ul style="list-style-type: none"> First-call resolution Number of transfers Number of failed transfers
Optimize the Workplace	Customers want capable and informed agents	<ul style="list-style-type: none"> System consolidation No toggling Unified desktop/intuitive user interface 	<ul style="list-style-type: none"> Average handling time Sales order error rate Service ticket error rate
Manage Call Center Operations	Customers want affordable service	<ul style="list-style-type: none"> Analytics Performance management 	<ul style="list-style-type: none"> Cost per call Average handling time per product line or call type

Figure 3: The Basic Principles of Improving Call Center Performance

To ensure consistent availability according to service-level objectives such as percentage of calls accepted within a particular time frame (for example, 80% of calls answered within 20 seconds), call centers must be overstaffed in comparison to net capacity staffing calculations for back-office work. This overstaffing is necessary because calls arrive randomly, not in neat sequential order, and callers are not willing to accept long waiting times in queue. Too much overstaffing is not efficient, while too little limits the ability to reduce queue waiting time.

To deal most efficiently with this situation, call volume can be centralized in a call center. A larger group can more efficiently achieve the same service level for a given call volume than a large number of small groups – and requires less overstaffing. Queuing and routing technologies, such as automatic call distribution, maximize this efficiency – while also providing reporting and monitoring tools to determine whether service-level goals are met.

Ensuring availability becomes even more challenging when routing must be based on agent skills rather than on simple groups. Running routing scenario simulations can help optimize the planning for meeting service-level goals. By using data from the queuing and routing engine for forecasting, peak load situations can be anticipated. Although call or interaction volumes can vary greatly during the day, historical data can reveal relatively stable patterns of interaction volume distribution over time. Thus, the agent's timely availability to handle a call can be assured, a prerequisite for providing high-quality service.

Resolve the Customer's Problem

Yet, just answering calls quickly is no guarantee that the overall customer experience is positive. Even more important is what comes next: resolving the customer's problem. Organizations must empower their customer service representatives to resolve issues at the front line. Call center agents must be able to quickly and easily access enterprise knowledge, billing and order systems, account information, and so on from their desktops (depending

on the business and industry context). They must also be authorized to actually solve customer problems. This will improve first-call resolution and customer satisfaction, and reduce overall call volume.

Empower Your Agents with Knowledge

Customers should get consistent answers to common questions no matter whom they talk with or when. To make this happen, call center agents need access to a corporate knowledge repository, ensuring that information is always provided to customers in a consistent way across the organization. The quality of the information provided to a customer should differ as little as possible based on the individual agent involved. A knowledge management system is the technology that enables this. To enable organizational learning processes, this system should ensure up-to-date content and be open for feedback on the content provided to the agents.

Connect Front-Line Agents to Back-End Processes and Systems

More important than answers to common questions during the initial call are resolutions to common issues. To accomplish this, companies must provide their call center agents with easy access to the right systems and information relevant to a range of customer needs, from changing an address or providing the status of an order to resolving a billing dispute. If orders are taken in the call center, there should be systems for order management. If companies sell physical products, there are logistics processes and information that must be taken into account. Depending on the industry, the agent may require further applications and tools on the desktop. To give the agent a true 360-degree view of the customer, more downstream processing systems can be helpful. These include systems for accounting, billing, and service asset management. Ideally, the call center agent will have not only a 360-degree view but also access to the corresponding processes. This enables procedures to be streamlined – especially from the customer's perspective.

Know Your Customer's History

To make the most of every call, call center agents should also know who is calling and be able to tailor services to the customer's preference. An agent must be aware of the history of the customer's relationship with the organization, as well as any pending orders, requests, or issues that exist. An integrated contact management system should keep track of every single customer interaction – across multiple touch points and channels – and provide agents with a complete history and 360-degree view of the customer.

Agents shouldn't have to waste customers' time asking them to recap their situation, describe work that has already been done, or recount pending or unresolved issues. Rather, agents should focus on the overall relationship, the current status, and a productive interaction designed to address customer needs.

Today, many organizations have a wealth of information about their customers. Often, though, call center agents aren't given access to this information, or their desktops are too cluttered with customer data to find and extract the information most relevant for the call. The key is to identify the most effective set of information for your agents. In addition, using concepts such as projected customer lifetime value or propensity to churn can be very helpful in setting the stage for every customer interaction.

Transfer Calls Intelligently (and Only When Necessary)

A key goal for any call center is the ability to resolve customer issues during the initial call. Call centers derive much of their efficiency from centralizing call volumes and reaping the advantages of larger groups, and these efficiency gains would be jeopardized if agents, after accepting calls, ultimately dispatched all issues to (smaller) expert groups or, even worse, to individual subject matter experts. First-level agents in a call center should be able to cover 80% or more of all requests without help from other groups.

But there are times when issues or requests can't be resolved in the initial call. In those situations, dispatching, or transferring the call to a second level or other group, is necessary. This is a process both the customer and the company wish to avoid if possible. For customers, it is less convenient to be transferred to another agent than to have a request solved immediately by the agent answering the call. For companies, transfers are costly because they involve further time and personnel. Also, transfers may fail, leading to call-back requests, which present their own planning challenges. However, as the 80% goal indicates, dispatching or escalating requests can't be completely avoided. A process step this important must be executed according to well-defined corporate rules. For a request-handling process to be traced and controlled, it should be automated to a level appropriate to a company and its business rules. Typically, workflow management and a rules engine are used to support or automate such processes.

Optimize Your Agent's Workplace

A number of elements contribute to ensuring that your call center agents' workplace is optimized for resolving issues or answering questions on the initial call.

The Unified Agent Desktop

Providing a call center agent with access to all the systems and information necessary to resolve all customer issues or requests can result in a very complex desktop environment. This complexity can be quite challenging for the agent. A call center agent's main focus should be on the customer interaction and not on the system or the work environment. The agent must attend fully to the customer's questions and shouldn't have to spend time "translating" the business problem into the specific context of one system or another.

A unified agent desktop helps solve this problem. It enables the call center agent to focus on the interaction with the customer and make superior product, up-sell, and cross-sell recommendations based on information learned from the interaction with the customer. By providing a consolidated user interface for all the

features of knowledge management, contact management, and workflow management systems, as well as rule engine services and core business processes, the unified desktop gives the agent a true 360-degree view and process access. This desktop also offers features for agent guidance such as interactive alerts and text prompts, as well as interactive call scripts. It controls the context of the interaction and provides multichannel integration, such as computer telephony integration. Such integration enables productivity gains from features such as screen pop (the automated identification of a caller by his or her telephone number) and screen transfer (the synchronous transfer of a telephone call and the application data determined in the context of the call) for the telephony channel. Controlling the context of the interaction helps organizations link all relevant processes to the interaction and track the start and end of the interaction – the foundation of a comprehensive interaction history.

A Highly Flexible User Interface

The unified agent desktop application described above requires a highly flexible user interface rather than a rigid interface designed for all corporate users. Since the working context for call center agents is different from typical office users, a special user interface should be considered to address the level of intuitiveness and productivity features required by agents. For example, mouse-free navigation capabilities and a no-scrolling mode are desirable. Moving between sales, service, and marketing processes must be seamless. The call center agent should not notice a difference between the classic call center application and typical back-end processes mapped from a legacy system when working from the unified agent desktop. Moreover, the user interface must be easily extensible based on feedback and experience. Because call center processes are executed repeatedly by multiple agents, even small incremental improvements in the execution of processes can lead to considerable benefits over the course of a month or year.

Manage Your Call Center with the Customer in Mind

Like the agent's desktop, the call center manager's workplace can be quite complex. The call center manager, however, has very different needs. Considering the potential number of systems relevant to his or her work, the manager will require cross-system information integration for reporting in addition to a unified or harmonized user interface. On one hand, a unified view for monitoring operations is required, especially when different communication systems are used by different groups. On the other hand, blended reporting is desirable, combining communications-based key performance indicators such as average handling time with data from business systems such as request types, classification, request closure rates, and order revenue.

EXPANDING BEYOND THE BASICS TO MAXIMIZE RETURNS

Once the basic capabilities are in place to ensure customer needs are met and the call center can be managed both efficiently and effectively, organizations should consider taking advantage of some emerging trends that will significantly impact the way call centers operate. These trends will help maximize returns and turn contact centers into strategic assets.

As additional communication channels such as e-mail, chat, and online self-services become more common, organizations are transforming their call centers to handle multiple interaction channels. When done right, self-service options such as interactive voice portals for simple requests and transactions can reduce interaction costs, provide added value, and help increase call-volume capacity without increasing staffing. (But make sure customers who don't like these services can speak to an agent without first having to go through a maze of options.) Also, more call centers are becoming virtual, integrating both outsourced and in-house call centers as well as home agents, in a hybrid business model that is more flexible and expands resources beyond the traditional "center." Call centers are also transforming from cost centers into profit centers by leveraging service encounters as sales opportunities, with identified paths toward up-sells, cross-sells, upgrades, and renewals. Furthermore, call centers are being incorporated in a shared-services model to address the needs of internal departments such as HR, IT, and facilities, to streamline administrative processes for HR and IT help desks and further reduce costs. All these trends will continue to reinforce the strategic value of call centers in enabling successful, profitable customer relationships with a human touch and in creating synergies with the rest of the organization.

The Concept of a Customer Interaction Hub

The Web has seen incredible growth in both importance and value as an interaction channel between companies and customers. This is beneficial because a Web-based self-service channel has a cost advantage over a call center. However, a call center is still required to help those customers who need support to use self-service channels or who are unable to resolve their question

or issue using self-service. Because of this, the customer experience in self-service (unassisted service) channels and the call center (assisted service) need to be harmonized to a much greater extent than before. Voice portal dialogues might be mapped to call scripts to allow for a seamless continuation of interaction processing, identifying the previous dialogue steps when switching from unassisted to assisted service. Consistent technology should be used across channels for a multichannel interaction center, also referred to as a customer interaction hub.

A customer interaction hub is an integrated customer interaction framework that provides a real-time, thorough view of the customer across channels to all relevant customer-facing employees, including an analytical evaluation of the customer and a determination of the level of service appropriate for this customer based on a customer profile. In this framework, interaction channels such as e-mail or Web chat will be more frequently used over time by call center agents. The call center agents in turn need to be enabled to handle these new channels. For example, call scripts should also be made available for use in Web-chat dialogues – with options to insert script questions as well as options to answer questions in the chat. Agents may also need to acquire new skills for these channels, such as proficiency with grammar and spelling. The helpful tools in an e-mail response management system such as automated e-mail template retrieval, filtering based on e-mail content, spell-checking, and frequently used text blocks are only a few examples of how technology can be used to help agents and increase their productivity.

Beyond this, the customer interaction hub will enable a 360-degree view of the customer and process access across all channels. In the future, more focus will be on process access than on mere provisioning of information; what are considered back-office processes today will be exposed to and accessible by call center agents. Web services will commonly be used to make the relevant parts of legacy processes available inside the unified agent desktop with a harmonized user experience.

Virtualization of Call Centers

The technology now exists to enable companies to involve a broader range of workers in the process of serving customers, mapped into a customer interaction hub. To do this, some changes from the classical call center approach of centrally controlling the distribution of work are required. Additional communication approaches, such as instant messaging, will often be either useful or required. Moreover, the communications structure and organization can be virtual. The trend toward virtual call centers will be reinforced by the latest innovations in technologies such as voice-over Internet protocol (VoIP) combined with decreasing costs and common availability of broadband access. Load-based routing, offered by telecommunications providers as a service or by IP-based internal communications management software, brings benefits previously available only to larger groups to a multitude of smaller groups or even individual home agents. In hybrid business models, outsourced (off-shoring, near-shoring) and in-house call centers and home agents can be brought together as one unified workforce. This allows for more flexible peak-load handling and enables the most cost-efficient use of the workforce.

Turning Service Calls into Sales Opportunities

Call centers at most companies are focused on efficiently providing customer service, focusing little on revenue generation. These organizations underestimate the potential of service calls. Every customer call is an opportunity either to sell or to initiate the next sales cycle. Studies have shown that leveraging inbound calls to exploit or prepare for sales opportunities is far more efficient and effective than using outbound sales calls. Don't forget, you have the customer's full attention when he or she calls you. Never waste such an opportunity.

To better justify necessary investments and increase their contribution to the enterprise, call centers are evolving from cost centers into profit centers. To do this, they must be able to generate revenue. Other than (internal) activity pricing, this is best done by converting service calls into sales by methodically using cross- and up-selling techniques. Examples of this are

numerous: offering a newer product when providing support for an earlier version, offering up-sells if desired features are not included in the currently used product or service, cross-selling accessories, and offering upgrades for service contracts or renewals for contracts that expire soon. Often the only difference between a good service call and a good sales call is the addition of a sales-closing question. To make this possible, sales tools must be available in customer service environments. These tools can leverage the customer interaction history and profile to detect sales opportunities, or even provide real-time offers to suggest to customers during a call.

Implementing Shared-Services Centers

Beyond their use for interactions between companies and customers, call centers have great potential for other areas of the business. Call centers are often used by internal departments that provide interactive services for other parts of the company. Notable examples are shared-services centers like an HR help desk (or employee interaction center) or an internal IT help desk. The former is a central organizational unit that responds to staff-related questions from a company's employees and managers via telephone or e-mail. The latter is the central internal point of contact for IT-related issues and problems in the company's technical infrastructure.

Administrative areas such as these have faced increasing cost pressure in recent years. At the same time, the demand for service quality and responsiveness is rising, driven in part by the optimization of service processes in customer-facing areas. Thus, it is increasingly common for administrative groups to use an interaction center as an efficient way to approach interactive, reactive business processes and to address the demand for guaranteed service quality and process standards.

The reason for the internal adoption of call centers is obvious. As far as operations are concerned, these internal departments face challenges similar to those departments that deal directly with the customer.

Requests from various interaction channels must be processed in an integrated fashion without integration gaps that are cost-prohibitive and quality-critical.

Structured trouble-ticketing processes and access to processes and subprocesses in other applications must be mapped for requests received. Furthermore, business processes must be transparent. Beyond short-term situational status overviews, transparency requires reporting that offers performance indicators about service quality, cost-efficiency, and profitability, and that forms a basis for both strategic and tactical decision making. These challenges are comparable to those that call centers have addressed for quite some time.

In this changing business environment, make-or-buy decisions will not be as long term as they were in the past. Corporations that decide to deploy a shared-services center might outsource the task for the limited time it takes them to build up their own center internally, and then in-source single or all the tasks again. As a next step after optimizing internal service provisioning, the corporation might consider becoming a business process outsourcer itself and offer corresponding services to the market. It is clear that technical systems need to provide a higher level of deployment flexibility to support this type of business agility.

TURNING CUSTOMER EXPERIENCE INTO PROFITS

Call centers have been constantly evolving since the last third of the twentieth century. This evolution will continue as innovative information technology and shifting forces of competition drive call center transformation. Customer interaction has become an important source of differentiation for organizations. How effectively a company's call center operates – the “moment of truth” that each customer interaction boils down to – can make or break customer relationships and ultimately determine the long-term success of an organization. Delivering a positive customer experience is paramount in stabilizing customer relationships and maximizing customer value. Achieving operational excellence across and beyond the customer touch points and striking the appropriate balance between efficiency and effectiveness are key. With the right technology, call centers can provide an efficient way to deliver excellent service at reasonable costs – without sacrificing the human touch – and to drive future revenue, thus turning customer experience into profits.

To learn more about how SAP can help you transform your call center into a strategic asset and improve overall call center performance, please contact your local sales representative or visit www.sap.com/crm.

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