



Best Practices for Optimizing the Customer Experience

Increase Customer Loyalty and Profitability



Tear Down Those Walls

Companies go to great lengths to protect their assets from outside competition, but what happens when the assets are locked down behind departmental walls or ‘silos’? All too often a lack of collaboration across the organization will stand in the way of delivering a great customer experience—and developing strong customer loyalty. Not only do silo-based departments impact the efficiency of customer-facing processes, they cause the company, its brand and its reputation to lose credibility.

With an endless stream of competition in the marketplace and vocal critics filling the social networks, companies must be fully prepared to deliver the best customer experience possible at each and every touch point to retain their competitive advantage.

This business brief explores the high cost of organizational walls and the resulting impact on customer satisfaction when limited collaboration causes business intelligence to become trapped within departmental silos. We discuss several methodologies and best practices for improving collaboration across the organization to increase overall efficiency and optimize the customer experience.

The High Cost of Organizational Walls

When asked what topped the list of obstacles to delivering a better customer experience, “74 percent of respondents cited difficulty getting alignment across organizations.”¹ The lack of collaboration across customer interface groups presents a major obstacle to achieving organizational alignment because business intelligence ends up stuck in departmental repositories.

Customers don’t look at companies as ‘departments’. The company has one face to them and when customers receive confusing or conflicting messages from any area of the company, the entire brand takes the hit. This could happen right out of the chute when a prospect heads to your website to research a new product or service after receiving a sales brochure, likes what they see and calls the contact center for more information and potentially sign up, only to find the agent isn’t aware of the new offering. When a major slip like this happens, the customer isn’t likely to stick around until these organizational walls come down. That can be costly. In fact, studies show that customer acquisition can easily cost up to 12 times more than customer retention, and that improving customer retention rates by just 5 percent can increase profitability levels more than 25 percent.²

It’s no wonder that companies are looking to their contact centers to provide more than just stellar customer service today. They depend on their centers to make good customers better ones while selling new solutions, closing performance gaps, and improving the bottom line. That’s a far stretch if the contact center doesn’t have the latest information from sales and finance or new product data from marketing.

A leading business process solution provider experienced the danger of organizational walls first hand recently. The client’s sales and marketing teams neglected to alert the customer service team that a special airfare was going into effect just before the holiday in 2010. The contact center was hit by a 150 percent spike in call volume and

the resulting 30 percent abandon rate increase could have easily cost the airline hundreds of thousands of dollars in revenue if the call center didn’t have right tools and processes in place to immediately turn the situation around.

Improving Organizational Collaboration

There are several industry best practices that work quite well to help companies achieve better collaboration across the organization and optimize the customer experience; however, each comes with potential risks.

CRM Analytics

CRM Analytics is often viewed as a means to identify up- and cross-selling opportunities, but the greater benefit is its proactive approach to identifying areas of customer dissatisfaction. Feedback collected from a variety of sources including social channels, company websites, blogs, and surveys give businesses a broad view of customer sentiment. Analyzing the data then helps to pinpoint the root cause of the problem, uncovering where and how the lack of communication between departments is affecting the customer experience. Businesses can use this to implement change before customers turn to the competition.

Because there is a staggering amount of data available for companies to analyze, even the most well-intentioned CRM analytics program runs the risk of collapsing under its own weight if it isn't well constructed. It takes the right tools, skilled analysts, targeted reporting and an effective strategy for turning analysis into actionable data in order for CRM analytics to make a real difference in optimizing the customer experience.

Social CRM

Social CRM allows a level of open communication with customers that was simply not possible just a few years ago. Real time interactions on web chat, mobile, and social media channels provide immediate opportunities for companies to improve their service and brand presence – or provide immediate proof that departments are not talking. When an unassuming customer service representative offers a valued customer an upsell opportunity after the customer has posted complaints on Twitter about a bad experience with the company's billing department, it's a glaring sign that the walls are up.

Social CRM can be an excellent change agent for tearing down organizational walls that stand in the way of an exceptional customer

experience, but it requires that companies develop flexible social CRM solutions. Forrester advises companies to develop solutions that not only improve customer collaboration and the overall customer experience, but also foster strong intra-organization collaboration.³ Making customer and business data available for immediate access across the enterprise is vital to optimizing the customer experience.

Better Customer Intelligence (CI)

Better CI drives measureable return on investment from CRM programs. As a strategic asset, CI not only helps to boost sales, revenue, customer acquisition and retention; it's instrumental in managing the overall customer relationship. In tough economic times, when new customers can be hard to come by, it becomes more important than ever to ensure customers remain satisfied.

Customer intelligence is also a valuable ally against competitive threats. Armed with a strong understanding of customer behavior, companies can target their offerings to specific customer preference for a powerful competitive advantage.

While most firms understand the value in CI, they struggle to fully leverage customer data as a strategic asset. Gathering CI data is every department's responsibility, however, the data typically stays in the department that collected it. Contact centers have a wealth of customer information, but because there is a lack of cross-functional flow and collaboration, this valuable intelligence stays locked behind departmental walls resulting in a fragmented customer experience.

Optimizing Communication

Optimizing communication at every customer touch point and across every area of the business to improve the customer experience is the goal, but how can an enterprise achieve this?

The Approach

The challenge of improving the customer experience belongs to everyone—and no one. When Forrester asked which groups were responsible for the overall customer experience, only 17 out of 106 respondents actually had a single group or person in charge.⁴

Instead, responsibility for optimizing customer-facing channels such as the Web, email, and IVR is locked within group silos ranging from marketing to customer service to IT, and varies widely by channel. Even if each group is on board with optimizing the customer experience, the effort itself is siloed. IT will concentrate on improving technology; the contact center will improve process and soft skills; sales and marketing will look to improve tactics for harvesting and capitalizing on customer intelligence, but the results won't cross the departmental walls.

There are several approach options a business can take to identify gaps in cross-functional collaboration and ways to optimize customer touch points across their organization. Three of the most common are conducting internal reviews; hiring a business consultant; and bringing in a service provider.

1. Internal Review

Who understands how the company operates better than your employees – especially subject matter experts in the call center, finance, marketing and IT departments? Industry experts suggest putting together an internal 'fix' team to address each prioritized process/workflow to help address organizational barriers. The team should include front-line employees, persons involved in intersecting processes/workflows, and decision makers who can put the recommendations in place.⁵

As logical as it seems to put an internal fix team in place, there are risks to consider. Not all companies have the employee bandwidth to create an independent customer experience focus team. It may also create a political hotbed within the company. Objectivity can be difficult when employees become protective of their way of doing things and resist change.

Breaking down organizational silos is by no means an easy task. It requires change in processes and in culture, both organizational and departmental. Few contact center professionals have the deep domain expertise needed to rapidly assess cross functional domains to pinpoint business shortcomings and to objectively identify a strategy for implementing the improvements seamlessly and gracefully.

2. Business Consultant

There are plenty of outside business consultants available for hire to dissect your business operations, identify problem areas and recommend feasible solutions. They bring needed objectivity to the table, as well as skill in recognizing workflow bumps that the internal review team may lack. They can identify areas of communication breakdown and cost drain within each separate, siloed department, which is quite helpful to get the internal mechanisms working properly. But the silos still stand.

Business consultants typically see things from a business perspective. They address immediate needs to improve processes and cut business expense, which is a noble short term effort. But optimizing each customer touch point across the organization to strengthen the brand, improve customer loyalty and increase revenue is not their focus. Speaking of revenue, the consultant's assessment process is usually quite long, typically six months or more, and consequently quite expensive.

The consultant's analysis is generally on target and their recommendations will no doubt work to improve day-to-day operations and cost savings if implemented. But therein lays another problem. Consultants don't implement changes; service providers do.



3. Service Provider

Service providers, much like business consultants, bring objectivity to the table. They help clients navigate 'political waters' and get departments talking to break down barriers to collaboration. Service providers take things to the next level with specific design methodologies to actually implement their recommendations. The problem is that these methodologies typically reorganize certain things to improve customer-facing processes within select areas but not across the entire organization. Again, the silos remain.

It is important to engage a provider that provides an end-to-end analysis of the entire organization. As the experts at Gartner explain, increased customer expectations and increased competition make it imperative that companies react swiftly to any change or threat. There must be strong, collaborative management in place to bring together marketing, technology and operations departments effectively and quickly.⁶

ACS, a Xerox Company, is a leading service provider who uses an extensive end-to-end analysis to develop customer experience programs and a roadmap for implementation success. An assessment team, made up of subject matter experts in 11 organizational areas, spends several weeks onsite assessing all interface points across the enterprise. The team looks at operations upstream and downstream to gain a 360 degree view of operations. This comprehensive analysis sets the stage for identifying departmental silos and inefficiencies across organization—not just those in the contact center.

Lose the Organizational Walls and Gain

What can an enterprise expect from using these best practices to break down internal barriers and optimize every customer touch point across their organization? A lot.

When companies draw on shared business intelligence, they gain:

- A 360 degree view of their customer
- Improved operations up- and down-stream from the contact center
- A customer-centric culture
- Increased customer satisfaction
- A measurable boost to their brand
- A leg up on the competition
- Reduced customer churn and operational cost

ACS CREATE

The ACS Customer Relationship Experience Assessment Team (CREATE) uses a holistic approach to developing customer experience programs that are aligned with business goals. ACS CREATE generates a 360 degree view of enterprise operations during on-site assessments that identify opportunities for companies to ensure they are delivering a consistent customer experiences across all channels.

ACS' on-site assessment of customer touch points shows how ACS can help improve customer satisfaction and loyalty, increase revenue, reduce costs and build brand.

ACS CREATE collects and analyzes pertinent data from every corner of the enterprise, up and downstream from the contact center. Because the team is made up of subject matter experts with years of hands-on operational experience, we can accurately and objectively measure performance, identify gaps and develop a working strategy to resolve issues and encourage continuous improvement. To guard against 'change overload', the benefits of the opportunities identified in the assessment are quantified and prioritized in order of greatest return for the customer experience and the bottom line.

Together with Xerox, ACS CREATE takes customer optimization beyond the contact center and into the area of customer communications, personalized web pages and even invoice optimization. We analyze,

A collaborative exercise between ACS CREATE, Xerox and a power utility provider identified gaps in the company's current processes that were causing poor workflow, customer confusion and exposed the company to potential compliance risk.

Over a span of just a few short weeks, the assessment team found that the lack of efficient processes, technology and best practices was adding over \$2 million each year in needless operational expenses to their bottom line. The team also recommended a root cause analysis feedback loop to continually improve the customer experience.

redesign and automate these communications to make them more personal and meaningful to customers. Optimizing these touch points helps to improve customer dialogue, increase productivity and reduce cost.

With the help of ACS CREATE, companies can ensure that each touch point delivers an optimized customer experience and that their contact centers remain compliant and cost-effective while providing a much-needed leg-up on the competition.

Summary

It's clear that a lack of collaboration across the organizational stands in the way of delivering the best customer experience possible. Without a 360 degree view of the customer and the organization, short-term, 'siloed' departmental goals might be met, but customer expectations and company strategic goals will fall short. This leaves organizations at risk of losing even their most loyal customers to the competition.

Tearing down organizational walls and optimizing the customer experience is not easy. The key to success in achieving strategic business goals is choosing the right partner. By choosing the right partner and approach to optimize the customer-facing presence across the company, companies move from cutting costs to providing lasting value.

Retain your competitive advantage – Tear down the organizational walls and optimize the customer experience.

The end-to-end analysis identified touch points across the lifecycle where optimizing would:

- Improve overall process management
- Improve order management and demand planning
- Eliminate information silos & lack of visibility



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