

MANAGING THE CUSTOMER SERVICE CHAIN AND CRM

We are what we repeatedly do. Excellence then is not an act, but a habit.
—Aristotle

Performance Competencies

- Define the customer service chain.
- Explain how a company's brand of service is established throughout the customer service chain.
- Understand how a Contact Center Manager can be an asset to a company by using CRM technology that enables customer data access from customer service chain entities.
- Define how automation and technology can motivate or demotivate Call Center agents.
- Define how a Contact Center Manager contributes to successful outcomes in a Contact Center agent's performance.

A FUTURISTIC LOOK AT THE CONTACT CENTER

New technology will continually come about that integrates more and more customer contact information. Already, emerging technologies such as wireless and satellite are being used. Even today, some preferred customers receive a higher priority in the service queue. Perhaps the traditional phone set will eventually become a thing of the past. In the futuristic world, a single process may manage the call routing, the process rules, and the service logic across the entire company to determine how, when, by whom, or by what a customer interaction should be handled. Perhaps all interactions with customers will be delightfully automated using virtual agents that look and sound human. Integration with any legacy back-end database system could possibly be simply—plug and play.

Who knows what else will be invented next to enable access to customers? Maybe a local area network with integrated kitchen appliances will become the latest and greatest vehicle for distributing information to customers. While intended to be a humorous notion, we see shades of this occurring via communication protocols such as Bluetooth and Wi-Fi that enable wireless network access for customers from around the house to coffeehouses and airports. The point is that *access to the customer* is of paramount importance to companies and that understanding buyer behavior is becoming more important to businesses. The Contact Center and its databases continue to gain more and more company-wide focus as the hub and clearinghouse for all customer information. The scenario in Figure 2.1 is intended to be humorous and is not

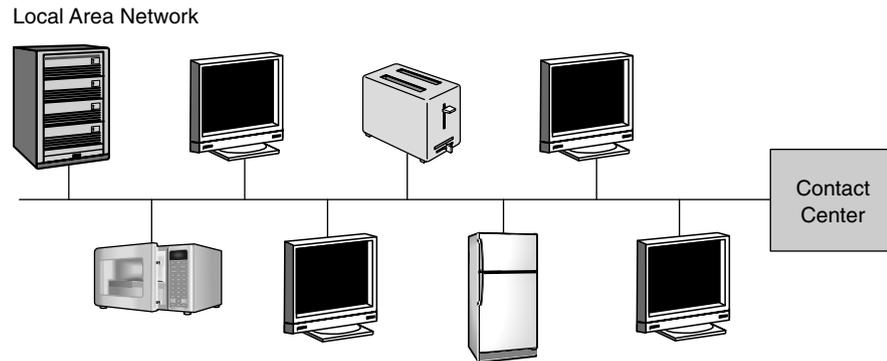


FIGURE 2.1 Local Home Area Network of the Future with Integrated Toaster, Microwave, Refrigerator, and PCs. Even in the Future, the Contact Center will Remain the Central Hub for all Customer Information.

common just yet, but possibly it will be one day. However, even with all the technological changes and advances that are taking place, one element has remained the same—people make the difference in the use of technology and customer data analysis.

ESTABLISHING A UNIQUE BRAND OF SERVICE

Abruptly adding or changing technology can affect the knowledge available to your customer-facing people—as well as affect the skill and the desire of agents within your Contact Center. The knowledge, skill, and desire communicated by each person in your center ripples throughout the entire customer service chain and establishes your company's own unique brand of service. A schematic of a typical customer service chain is shown in Figure 2.2.

What if every time you added or changed processes or technology in your company, you inadvertently demotivated the frontline people in your Contact Center, essentially creating several weak links in your customer service chain? The demotivated links weaken and can even break the chain in customer service. What this can mean is that a number of customers may not be delighted with your company's services and your product. When the customer service chain is weakened or broken, an unhappy customer may react in various ways:

- Twinges negatively whenever the customer sees your company's marketing campaigns with your brand,
- Changes the TV channel quickly and ignores all your company's advertisements,
- Vows never to buy your brand again,
- Tells at least ten others about the negative experience with your brand. Ten potential customers now hesitate to buy your brand.

Clearly, this ineffective marketing scenario is the symptom of poor communication that could have started in the customer service chain. Hundreds

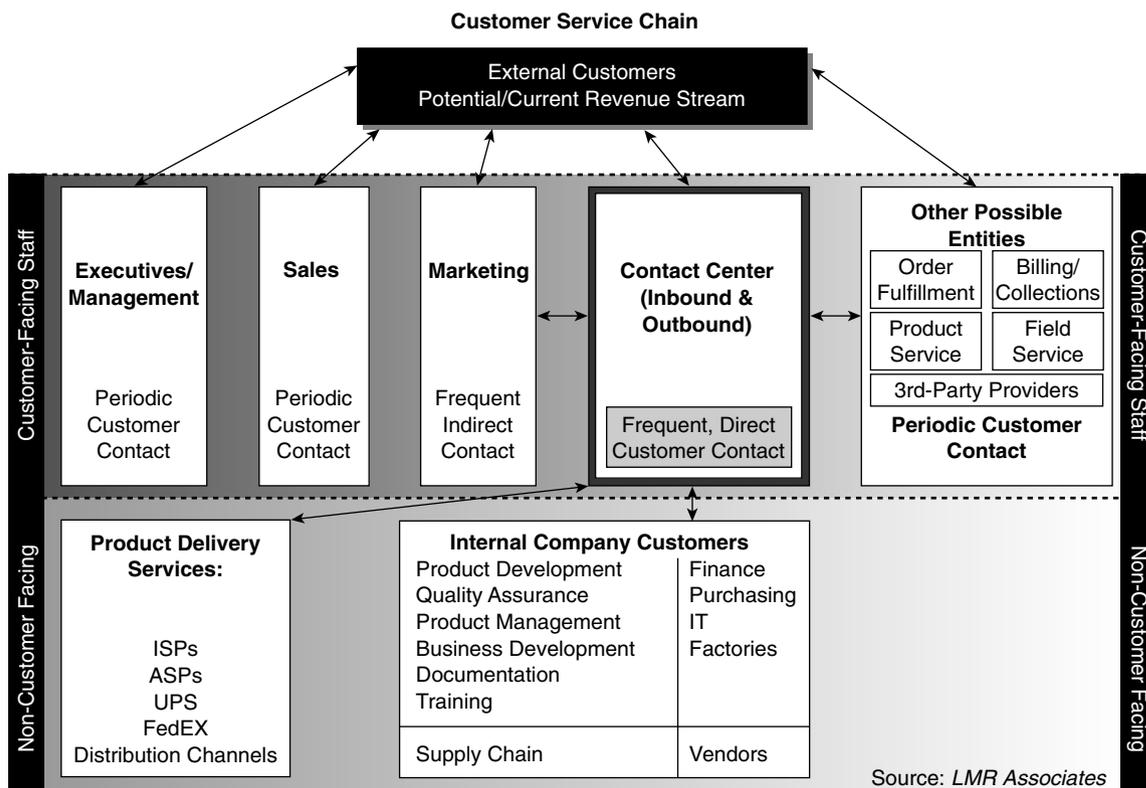


FIGURE 2.2 The Customer Service Chain Involves Everyone in a Company. The Central Hub with the Most Frequent and Direct Contact is the Contact Center. *Source:* LMR Associates.

of thousands of advertising dollars used to develop your brand may go to waste because the customer has already decided not to buy again through a poor experience within the customer service chain.

Exponential customer defection and negative press about your company's service and products literally damage your potential market space, which means lost revenue streams and wasted marketing dollars. In some cases, the domino effect of customer defection can happen because new software is bought and installed in the Contact Center without consideration for the employees who use it. Sometimes frontline customer-facing employees in the Contact Center not involved in the hardware and the software selection can become the weakest links in the chain.

What do you do with the weakest links? Anne Robinson, once the host of the American TV game show *The Weakest Link*, takes drastic action when the *Weakest Link* participants are singled out. She boots them off the show without hesitation.

We are certainly not suggesting that fate for our customer service chain's weakest links. However, various conditions, not only technology change, can cause people in your Contact Center to become demotivated and disinterested

You arree the weakest link—Good Bye.
—Anne Robinson

in providing top-notch service for your company. Depending on the job market, demotivated employees may leave on their own, but only after a fair amount of market damage has been done to the customer base. Therefore, proactive management of weak links in the customer service chain is important.

There are ways to turn around weak links in the customer service chain, thereby eliminating market damage, decreasing employee turnover, and improving use of technology. The negative revenue impact created by unmotivated employees in the Contact Center presents an opportunity for a Contact Center Manager to gain back revenue share.

THE CUSTOMER SERVICE CHAIN

The customer service chain defines every direct and indirect source of potential service interactions with each customer across the enterprise. As you can see in Figure 2.2, the customer service chain highlights all external customer-facing frontline employees. An external customer denotes an existing or potential revenue stream customer.

Every customer-facing employee has the opportunity to nurture, cultivate, and deliver service. The employee develops the company's brand daily.

It is through these frontline employees that the external customer will relate to the company and the company's brand. Customer-facing employees have the most opportunity to cultivate the customer relationship, generate revenue directly, and establish the company's brand of service.

Non-customer-facing employees, organizations, and entities also have critical roles in the chain of service delivery. Rarely do they interact directly with the external customer, if ever at all. However, if a non-customer-facing employee or entity does not fulfill a necessary function within the chain of service delivery, a serious break in the chain will occur. The end result is poor service to the customer, leading to inevitable market damage, which can cause the revenue stream to slowly dry up. Some critical non-customer-facing entities are the following:

- Facilities
- IT
- Purchasing
- Finance
- Quality assurance
- Product development
- Any channel of distribution
- Manufacturing
- External organizations such as ISPs and ASPs
- Any outsourced provider

Even the post office, Federal Express, and UPS are indirect non-customer-facing external organizations that can impact your company's revenue stream. Some of these organizations recognize their critical indirect role and brand their company's service as their mission. For example, "When it absolutely, positively has to be there overnight" has become synonymous with Federal Express. Also note that most non-customer-facing entities and organizations

are often located remotely from the Contact Center, whether it be in another part of the building, across the campus, or in another country, creating challenges in communication channels.

A CRM-CENTRIC CONTACT CENTER

The customer service chain and customer relationship management (CRM) are synonymous. They are both defined as the company's sum total of all possible relationships and interactions with the customer. Software that allows many different groups to interface with each other and with the customer is termed *customer relationship software* management, or CRM software. CRM software, used primarily by the Contact Center, enhances the customer service chain communications by tracking all the customer relationships and interactions in an online enterprise-wide database.

It is easy to see how the Contact Center is considered the customer relationship management hub for the entire company. The Contact Center faces the customer most frequently while interfacing with almost every other customer-facing and non-customer-facing entity and organization. In Figure 2.2, the customer service chain shows the importance of the emerging Contact Center to all other areas of the business. This type of organizational chart is useful in conveying to other business units and suppliers their importance in participating in the customer service chain.

THE COMPLEXITY OF INTEGRATING CRM INFORMATION

From Figure 2.2, we can see the various entities and organizations that are all part of the customer service chain. Approximately eight different customer-facing organizations may interact in some way with the customer directly using CRM software. That means that at least eight basic views of a CRM database are needed to satisfy each entity's view of the customer:

- Sales needs contact information and billing information.
- Marketing wants to track promotions.
- Billing views account receivable information.
- The Contact Center needs product ship dates.
- Telemarketing wants to know which customers to contact.
- Field Service reviews open-service requests.
- Order Fulfillment needs to know what to build and ship.
- Executives look at sales numbers.

In some companies, each entity maintains a separate software database that is used to collect and display its own view of customer information. Other companies have databases that integrate tightly with each other. In other examples, integration to other databases in the company may not be complete. This inhibits the effective viewing of the customer information from different vantage points. Imagine the complexity of trying to integrate separate systems

69.3 percent of CRM installations failed to meet all goals.

— Selling Power, *CSO Forum*, 2001

Enterprises are beginning to follow a CRM process flow, looking from the customer back into the organization, re-designing themselves to achieve CRM success and customer value.

— Gartner Research,
2004

under one umbrella called customer relationship management. A number of companies have integrated all views of customer information, and others have more difficulty because of the complexity of integration. Sometimes older systems (legacy systems) do not interface easily with newer application software; therefore customer information from that group or department is more easily imported into the new database. In the past, this had presented some difficulty in CRM implementations. However, currently, we are seeing signs that these difficulties are less insurmountable due to advances made in project designs on the part of software vendors and implementors.

INEFFECTIVE AUTOMATION AND INTEGRATION FALLOUT

While the task of integrating customer information from separate databases is a technical hurdle, there are other challenges. In the quest to automate quickly, companies sometimes overlook the effects of the changes on

CASE 2 Customer Defection and Negative Press

Customer: “Hi, this is an emergency. My daughter swallowed one of your products, and I need to know what was in it. I need to speak to someone who can tell me what’s in this product.”

Agent: “What did you say?”

Customer: “I would like to speak to someone who can tell me what’s in your orange cleaning product.”

Agent: “OK, OK, just a minute while I retrieve that information for you.”

Customer: “Hey, didn’t you hear what I said?”

Agent: “Yes, I am moving as fast as I can. They just installed a new system here; the system is a little slow.”

Customer: “Look, this is an emergency. My daughter swallowed one of your products, and I need to know what was in it. My wife is almost at the hospital with her, and I want to get this information to her ASAP.”

Agent: “Alright, already, I am getting the information for you now—just give me some more time—the system is getting that information now. Just a minute. I need to transfer you.”

Let’s see how one ineffective phone call can affect business and cause market damage. The customer was finally connected with a specialty agent who knew about the product. The agent gave the customer the information. The customer called the hospital, and the child was saved. However, three days later at a dinner party, the customer told their poor service story to nine other guests. Later that week, some of those guests repeated the same story to some of their friends. The story eventually was heard at a cocktail party that a newscaster was attending. The next day a story appeared on the local nightly news. The news report was not positive and almost put the company out of business.

1. What were some mistakes the agent made?
2. How could they have been handled better?

the people and company processes. Because of the pace at which companies need to compete, the “just-do-it” mentality takes over. *Just put in that predictive dialing system, or just install that CTI hardware is the technology task of the day. Just network those two knowledge bases together. Just give the Contact Center employees a quick fifteen-minute training on that new system.* Just installing technology can produce a false sense of security. Sometimes companies think installing technology alone will be the answer to making more sales and solving the customers’ problems. An area to examine is, Once technology is installed and working, are the people *really* using it effectively?

The just-do-it mentality can end up with poorly integrated systems with multiple log-ins, disjointed reporting, and different interfaces. The just-do-it mentality can produce Contact Center employees who do not understand how to use the new system, who do not want to use the system, and who minimize quality data entry. Quickly installing systems can also create inefficient screen layouts and poor database retrieval times that can produce slow responses to the customer.

All of this and more frustrates every frontline customer-facing employee and results in inefficient and expensive processes. Fallout from complex automation and integration of systems invariably lands on the end users—the customer-facing employees, who must provide the customer with immediate answers. If they cannot easily answer the questions, they become stressed, and the customer may not receive the best service experience.

THE FALLOUT FROM POORLY INTEGRATED TECHNOLOGY

Poorly integrated technology affects an agent’s attitudes as well as operational costs. Let’s see how this comes about. When customer-facing employees are frustrated, inefficient, and under stress, they are unable and even unwilling to provide the customer with a delightful brand of service. If those same conditions exist over a period of time, the employee will eventually leave or will be asked to leave the company. Additional recruitment costs and training costs are incurred with each new replacement employee. The additional recruitment costs increase operating costs.

In 2003, Purdue University Center for Customer Driven Quality had found that it costs a minimum of \$6,350 to recruit a new Contact Center employee. The average annual turnover rate in Contact Centers is 26 percent. Depending on the size of your Contact Center, this cost of turnover can add up quickly.

KNOWLEDGE, SKILL, AND DESIRE

The best way to minimize turnover and gain productivity is to produce employee satisfaction on the job. Research has shown that even with the best automated solution, when employees feel that management cares about them, they are more likely to work more effectively with management and the new

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“If you’re not completely satisfied, your money will be cheerfully refunded as soon as we can find someone around here who’s cheerful.”

technology. The most successful employees have three key character elements fully integrated into their work style: knowledge, skill, and desire. Opportunities exist for a Contact Center Manager to create great work habits in the agents. A habit is the intersection of knowledge, skill, and desire.

- **Knowledge** is the *what to do* and the *why*.
- **Skill** is the *how to do it*.
- **Desire** is the *want to do*, or motivation.

The type of knowledge, skill, and desire that is retained and developed in your customer-facing employees will help establish your unique brand of service within your company and your industry. The only human interaction that customers may ever have with your company will be through the Contact Center. As a manager, you can provide the leadership in the Contact Center to create the knowledge, skill, and desire that will leave customers delighted after doing business with your company. Now let’s see how each of these areas is defined so that you know how to identify these distinctions in the workplace.

Knowledge: Individuals bring to your Contact Center the technical knowledge they gained through prior training and experience. Knowledge is learned information.

Skill: Individuals also bring existing skills to your Contact Center such as typing, a pleasant telephone voice and demeanor, concise writing, quickness, accuracy, and selling ability. A skill is a developed aptitude or ability to competently do something.

Desire/motivation: Individuals may bring to your Contact Center the desire to learn, to continue to grow, and to continually improve. In some cases that desire is something that you will have to help create by the environment in the workplace. Desire is a conscious impulse toward an object or experience that promises enjoyment or satisfaction in its attainment. Desire can be fleeting. Most people initially start new jobs with

renewed hopes and the desire to achieve. But often the newness wears off and remotivation is necessary for the individuals to regain access to their initial desires.

Desire is the most critical of the three elements. An individual can bring the best skill set and the right knowledge to your Contact Center, but if that individual lacks or loses the desire, the knowledge and the skill will not produce excellence and the highest brand of service.

Motivation causes an individual to be in action or to move. Internal motives and desires cause a person to act. Some believe that they can motivate others. No one can really motivate another to act. However, an environment can be created and re-created in which an individual can feel motivated to perform.

Ongoing development of management and customer-facing employees in these three key areas will build a perception of your company as one that is knowledgeable, skillful, and motivated and that possesses an outstanding service brand. Can you think of two companies that are known for outstanding service branding? In the United States on the West Coast, Nordstrom holds a reputation for its outstanding service. Globally, Federal Express is held in high regard for its outstanding service and guaranteed delivery times throughout the world.

How do we know when service is outstanding? Outstanding people, coupled with outstanding technology, create these outstanding service brands. Indeed, technology has helped service professionals to be more efficient, but it is the people that make the ultimate difference. To be sure, the pull toward automation continues to grow. New forms of automation continue to develop. Therefore, it is important to understand tools and techniques for motivating and remotivating customer-facing employees in a changing technological workplace.

SELF-ANALYSIS

How Do You Measure Up?

Take a moment and think about each question below. On a separate piece of paper, write out your answer. Then share your answer with a classmate.

1. Have you ever been frustrated by changes in technology?
2. Did you receive adequate training?
3. Did your manager consider your previous knowledge, skill, desire, and motivation during the training?
4. How could your manager have helped you to accept the change to embrace the automation?

PERFORMANCE CHECKLIST

1. Managers can provide the environment for agents in which a company's brand of service is created and maintained, by understanding three key elements: knowledge, skill and desire.
2. A Contact Center Manager is an asset to the business by effectively integrating CRM software and technology and motivating employees to use it effectively.
3. Ineffective automation and technology implementations can motivate or demotivate Call Center agents.
4. Agents succeed on the job when managers can proactively recognize pitfalls in ineffective integration in CRM automation.

WHAT DO YOU KNOW?

True or False

- T F 1. Ineffectively adding or changing technology can create weak links in the customer service chain.
- T F 2. You will need to use some sort of change management training to reduce chances of demotivating employees throughout the service chain.
- T F 3. Poor service experiences can create an exponential number of bad references that impact existing as well as future revenue streams.
- T F 4. Agent training does not need to include an understanding of the effects of poor service and its impact on sales.
- T F 5. As a manager, you will not need to help the company and other departments to understand that the hub of the customer service chain is the Contact Center.
- T F 6. Customer-facing employees create the company's brand of service.
- T F 7. Complex automation initiatives never demotivate the frontline customer-facing employees.
- T F 8. The knowledge, skill, and desire in employees fluctuate every time a change occurs.

ESSAY CUSTOMER SERVICE CHAIN MAPPING

On a separate piece of paper, answer each of these questions. If you do not currently work in a Contact Center, use the knowledge you have gained in this chapter to answer the questions.

1. How has a recent technology change or organizational change impacted your employees' motivation in the Contact Center?
2. Draw your company's customer service chain.
3. Did additional entities show up in the chain than those shown in this chapter?
4. Could any employee-suggested improvements come out of mapping the process with employees?

ACTIVITY MOTIVATING EMPLOYEES FOR CHANGES

Jorge had to evaluate new software for his Call Center. He felt overwhelmed by the tactical requirements of running his center. He had to deal with personnel issues, slow computer networks, and increasing customer complaints about the product line. In the meantime, his CEO had read an article in a business magazine during a business trip. The article quoted a large research firm that said that companies that failed to update their technology to a multichannel Contact Center could lose thousands of customers a day. When the CEO returned, she committed to keep up with competitors by updating the Call Center technology.

Jorge knew the politically correct thing to do was to be excited about the CEO's decision to upgrade the technology. But he thought, "Does she have any real idea how much work this is going to be? Will she expect me to run the software upgrade project as well as manage the functional areas of the Contact Center? How am I going to get my people behind yet another change? All we do here is change things."

Jorge had spent the last appraisal cycle listening to agents expressing concerns about being overloaded with work and about receiving poor training on the last system that was installed. Knowing that the company would probably not pay for a team of external consultants to help carry the extra load during the implementation, Jorge found it hard to hide his concern about being able to manage both. But he knew if he carried this attitude, it would affect the project and how the agents felt as well.

1. What could Jorge do? With the information you now have about knowledge, skill, desire, and motivation, what are five things Jorge could do to prepare the agents for the impending changes?
2. What recommendations and justifications could Jorge make to his CEO to get the resources he needs to manage the project and the Contact Center? What tools might he use to present his case?

