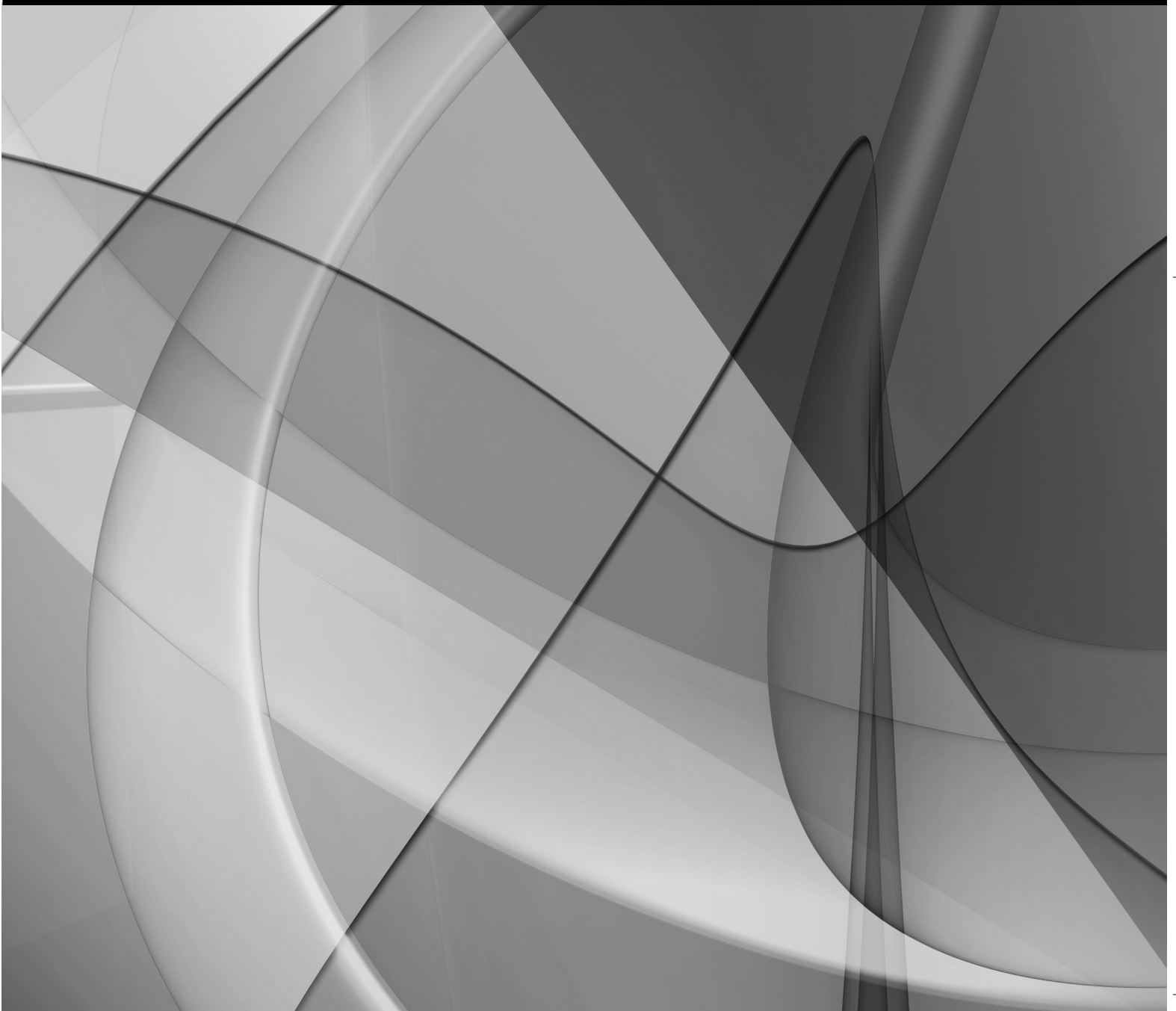# PART 1

The Emerging Contact Center

Chapter

1

FROM CALL CENTER TO CONTACT CENTER

"If you don't know where you are going, you might up end up some place else."

—Yogi Berra

Performance Competencies

- Understand how Call Centers have evolved into multichannel Contact Centers.
- Recognize how technology evolution impacts Contact Center Managers.
- Learn how the evolution from Call Centers to multichannel Contact Centers requires managers to continually update their skills, knowledge, and expertise.

THE EVOLUTION FROM CALL CENTERS TO MULTICHANNEL CONTACT CENTERS

"Those who cannot remember the past are condemned to repeat it.
– George Santayana"

Why is the history and the evolution of Call Centers important to Contact Center Managers?

Having an evolutionary perspective can give us insight into the operational practices of our own Contact Centers. As you read through the text, you may even remember some of the challenges and solutions associated with the evolution of the Call Center industry. By understanding the past, we can create progressive Contact Centers in the future. As can be seen in Figure 1.1, this evolution has had a great impact on the nature of the work conducted in Call Centers. The evolution from *Call Centers* to *help desks* to *multichannel Contact Centers* has changed the way companies do business as well as the roles and activities of Contact Center Managers. With companies relying on access to customer information to produce sales, Contact Center evolution continues at a rapid pace. As a result, the Contact Center Manager's role in the company continues to change over time, requiring new skills and competencies.

A historical knowledge of Call Centers helps us to understand the past role of the Call Center Manager. In the early days, Call Center Managers simply supervised individuals in paper-based customer answer centers. Now Contact Center Managers are considered strategic managers, directing technology-based customer loyalty departments with teams that guide the business and generate sales. With such a diverse change in a matter of a few years, we
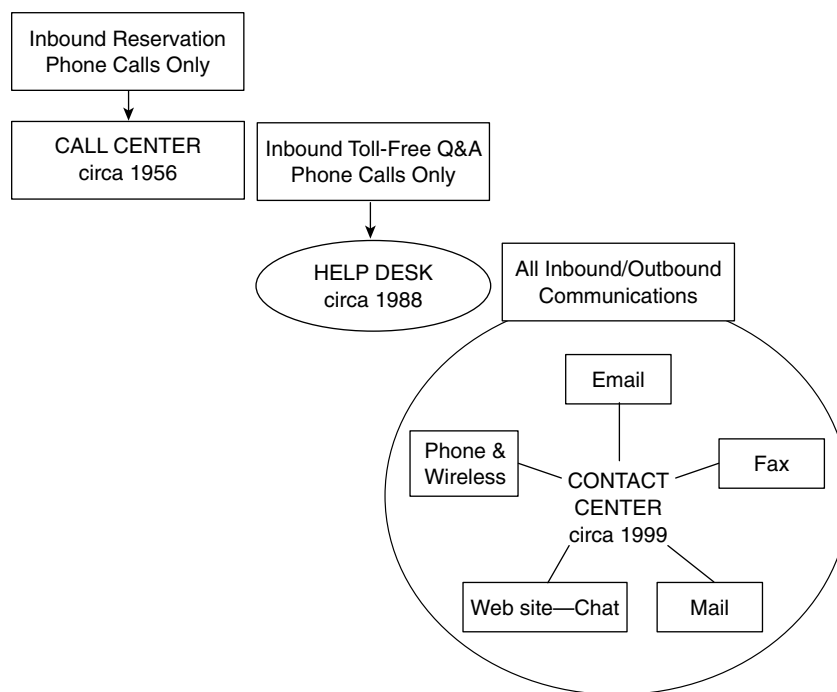
FIGURE 1.1 Evolution of the Technology from the Call Center to the Help Desk to the Multichannel Contact Center.

can expect even more progressive role changes and competencies on the horizon for Contact Center Managers.

THE EVOLUTION OF THE CALL CENTER ERA

Picture the first Call Center—a dingy, cramped, noisy, smoke-filled room, equipped with rotary dial phones, chairs, and ashtrays. This was the first twenty-four-hour Call Center in 1956. It was operated by Pan American Airways. In a centralized area with phones, some Pan Am reservationists provided an economical way to take plane reservations. Customers called, and people answered the phones and logged the reservations on paper. At that time, automated telephony equipment and centralized database systems were not used yet. In fact the term *Call Center* did not become common until AT&T built regional and national outbound dialing facilities as a calling service for customers.

In 1967, the introduction of toll-free 800 numbers gave customers a new way to contact businesses at no extra cost. The 1-800 toll-free numbers caught on fast. As call volumes increased, there was a demand for technology that handled the increase in call volume more efficiently. Examples of technology that evolved from the increased volume of calls are automatic call distributors (ACDs) and voice detection units (VDUs). ACDs and VDUs improved

inbound call routing and enhanced the effectiveness of outbound telemarketing campaigns. The VDUs detected whether a customer or a machine answered the phone. This was a far cry from the Call Center in a smoky room with rotary dial telephones in the 1950s.

In the mid-1970s, filing cabinets were used to store customer data until centralized computer databases replaced paper documentation. Computer databases also gave those in Call Centers broader access to customer account information from remote locations. Over time some businesses came to trust online computer databases and their capability to store data.

However, as late as 1980, a few phone companies still maintained customer-billing records on 5×7 index cards. Billing Call Center representatives who answered the phones had to meet a service-level metric of fifteen seconds or less. They had fifteen seconds to use the card and return it to the manager's filing cabinet! The paradigm shift from storing customer information in filing cabinets to storing information on computer discs took time. Widespread use and adoption of new technology often does take time. And in most businesses today, that adoption has nearly eliminated the necessity for backup paper trails.

THE EVOLUTION FROM CALL CENTERS TO . . .

The Help Desk Era

Throughout the late 1980s and the early 1990s, the Call Center became synonymous with the term *help desk*.[1] The help desk era brought a new and enlightened customer service agent to the phone to *help* the customer upon request, 7 days a week, 24 hours a day, 365 days a year. Customers understood that a help desk, a Call Center, or a support center was a place where they could expect to receive answers to product and billing questions or to book reservations with a pleasant, well-trained person.

For more than ten years, customers became accustomed to using the company's toll-free number, dialing the phone, and quickly getting their technical questions answered with minimal effort. No computer skills or typing skills were required by the customer. The customer enjoyed the ease of the toll-free number, no charge for support calls, and immediate answers to his or her questions.

The Internet and Web Self-Service Era

In the late 1990s, broader and quicker access for consumers and companies escalated through a variety of channels such as e-mail, the Internet, and broadband offerings. People across the world could communicate easily via the Internet using e-mail. A new wave of information distribution had come about. Information was posted via Web pages across the globe for easy public access.

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[1]Call Center, help desk, and support center are commonly used interchangeably in the industry.

**"Please listen carefully as some of our menu options
have changed. For customer service, go fly a kite.
For technical support, whistle in the wind until
the cows come home. For repair service, wait
for you-know-what to freeze over...."**

In the past, information access was more complicated. Secured log-ins were needed to initiate transactions to exclusive corporate databases. In the Internet era, almost anyone with computer skills could set up a Web page with global public access in just a few hours, allowing information to be readily available.

The Internet brought forth the notion that product information and customer service information could simply be posted on Web pages. Customers were required to click on the Help link on the Web page to view the most frequently asked questions (FAQs) or e-mail the support contact or conduct interactive conversations known as chat from Web pages to get answers. Companies looking to cut Call Center service costs instituted Internet-based Web self-service. It was found that Web self-service would be less expensive than providing service by phone via live agents.

In the early stages of the Internet era, customers were frustrated by the sudden shift in service from calling a toll-free support number *to* logging onto a Web site to help themselves. Customers accustomed to picking up the phone for support found the toll-free numbers missing from most Web pages. Web sites that posted their phone number buried it deep within the Web site so it could not be found easily. This was done to transition the customer from calling the help desk to using the Web self-service pages. The idea of self-service certainly sounded good at first, but implementation and acceptance by customers was less than ideal. Introducing a less personalized way for customers to interface with the company was not well received by most customers. People change slowly. At that time the thought by Web designers was: "If we build it, the customers will come."

It became apparent that companies had not anticipated how a change in the service delivery model (i.e., from phones answered by agents to self-service on the Web) would affect the Contact Center. Often a center manager's job will change because of a change in technology. It is important to learn from history—what seemed like a simple change in the use of technology (i.e., the Internet) created more problems for managers and agents alike. Ill-prepared to adequately respond to this new form of e-service via e-mail and interactive

chat, agents were overwhelmed by the amount of negative communication received from customers. Also, the centers did not have a unified system that allowed for management and tracking of several different e-mails submitted by the same customer.

To use interactive chat, agents had to bring up another desktop interface. That meant at least three screens were open on their desktop: the call logging screen, e-mail access, and the chat interface. Management was rarely notified when the company's Web development team posted support e-mail addresses on the company's Web site. Consequently, no one in the center knew to access and respond to messages that customers sent to those e-mail addresses. Customers' requests went unanswered. Agent morale faltered. Agent attrition rates skyrocketed. Center managers were working overtime to compensate for these unexpected results.

Center managers could not easily track customer interactions across all the new channels of communication. Service levels did not yet exist for e-mail and chat. As a result, motivation and efficiency levels dropped. While the intention of the technology enhancements was good, good old-fashioned customer service went out the window.

E-Service Meant No Service and Reduced Business

As a result, customers felt abandoned—no more toll-free phone support numbers, no replies to e-mails, and too many e-mail interactions needed to solve a simple problem. The Web site's Help link did not supply enough answers to less frequently asked questions, and the chat button never seemed to be active. And all this was at the expense of the customer's time and energy. "The build it and they will come" mentality was not holding up, and the competition was just a click away. As a consequence, customers sought out other companies that were easier to do business with or simply did not do e-business—it was too much trouble. That's what triggered the downfall of many start-up Internet-based businesses in the Internet era. These problems were impacting the company's ability to acquire and maintain customers and generate revenue, Contact Center Managers started to make requests for improvements in software integration and streamline company-wide support processes.

> More than 90% of enterprises are not responding to e-mails on a timely basis or to customers' satisfaction.
> —GartnerGroup 2000

An Industry in Search of Solutions

As the Internet era progressed, e-mail management companies seized the opportunity to create software that would allow multiple agents to manage multiple e-mails from the same customer and manage e-mails sent inbound and outbound via the Web site. They also created reporting tools for center managers to track e-mail interactions. E-mail management software brought order to the world of managing customer support e-mails.

Yet most of these e-mail management systems did not allow for logging of inbound phone calls that the agent received. If the e-mail software did offer phone support, it was often an afterthought. A typical e-mail software

SELF-ANALYSIS

How Do You Measure Up?

Are You Ready for Technology?

We're learning about how the evolution of technology has affected not only customers communications with the company but also how these changes have affected the Contact Center Manager's job. Be completely honest when answering these questions. Circle the number that best indicates where you fall between the two extremes. On a separate piece of paper, state why you chose that answer. Total your score at the end of the exercise.

1. When I hear about various channels of technology communication I feel:

   Excited to learn more   Overwhelmed

            5   4   3   2   1

2. Companies that focus on technology:

   Are thought leaders   Have little regard for customers

            5   4   3   2   1

3. We don't need technology to understand my customers' buying patterns:

   Technology is essential   Who needs it?

            5   4   3   2   1

4. I am not really interested in mining customer data:

   Customer data is key to a   Measuring customer data is pointless
   company

            5   4   3   2   1

5. I love to read about the latest technology updates in Contact Center journals:

   I am driven to stay informed   I skip those types of articles

            5   4   3   2   1

6. We should just all go back to the days of the 800 toll-free numbers of the 1980s:

   I completely disagree   I completely agree

            5   4   3   2   1

7. Customers expect that they can reach my company through different channels of communication:

   Yes, they do   Customers only care about the phone

            5   4   3   2   1

8. I need to train my agents to learn to respond to e-mail properly:

   This is essential   My customers don't care for e-mail

            5   4   3   2   1

(*Continued*)

9. Our executives refer to the Contact Center as a help desk:

They see my center as a   Our executives don't know
profit center   we exist

      5   4   3   2   1

10. Technology allows my Contact Center to have a pivotal role in the company:

Technology can make   Technology just creates
a difference   more problems

      5   4   3   2   1

If you scored more than 45, you are ready for the technological changes. If you scored between 30 and 45, you might want to consider looking at how technology does not fit with your view of the job and how you might shift that view. If you scored less than 30, you might find yourself frustrated in a job where applying new technology is a necessity.

vendor's response was, "We can integrate into your existing call logging database. You'll be phasing out that call logging database soon anyway!" Almost every e-mail management vendor was in agreement. Call logging would be going away soon and maybe even the Call Center/help desk with it! Eliminating support costs using the Web and self-service was the answer. Developing software for phone support was a thing of the past. Yet most customers still longed for the toll-free support number. All these issues created the next evolution in technology and the model of delivering service called the *Contact Center.*

The Contact Center Era

The progression from help desk to Contact Center occurred when e-mail management software vendors included marketing features in their software. These features supported the scheduling of outbound promotional e-mails and targeted potential customers with advertisements, discounts, and the like. Businesses could now send survey campaigns to customers and tabulate the responses. To improve marketing campaign effectiveness, they counted customer clicks on promotional e-mails. The help desk also used this software to track customers' e-mail questions. Now the help desk had the unified message system that allowed the agent greater awareness of the promotion or the discount e-mail that the customer received. This opportunity to conduct value-added selling offered the opportunity to transform the help desk agent into a sales agent.

> In 2002, GartnerGroup estimated that 70 percent of business transactions are executed over the phone, making this the primary form of customer contact.

With the incorporation of all channels of communication, marketing functionality, the opportunity for up-selling, and outbound customer surveying, the help desk had very quietly taken on new tasks and transitioned into a multichannel Contact Center.

Today's Contact Center's challenge is changing the perception of its role in the business. In many circles the Contact Center is still perceived and financed as the old administrative help desk or Call Center from forty years

ago. A challenge set before all supervisors, managers, directors, vice presidents, and executive levels is to redefine the Call Center as an emerging Contact Center and shift the company's internal perception of the Contact Center from an overhead organization to a revenue-generating profit center. Technology alone cannot produce the shift. That is where the Contact Center Manager's role is most important.

Many Contact Center Managers are going through similar transitions. Many are very experienced at their job. However, with the integration of multichannel technology center managers the responsibilities to use and manage the new technologies are changing the job of Contact Center Managers. Understanding how the technology changes jobs is important. By understanding the ever-changing role of technology on their job, Contact Center Managers will be able to add even more value to the company. With a historical perspective managers will be able to reveal subtle demotivating factors that occur when process and technology are not integrated fully with the people who use it.

The Multichannel Contact Center Era

Because of the streamlined efficiencies of the Internet, industry experts are beginning to see the Contact Center becoming the first, the last, and in some cases the only touch point with the customer.

CASE 1   Adding New Technology

What skills and competencies are required to manage changes that come with adding new technology?

Patti drove home from her Contact Center job partially elated and partially worried. She had just started working at a new company three months ago as a Contact Center Director. One of the reasons she took the job was the company cared so much about the customers. Part of the company's concern for the customers was now being directed toward enhancing the technology that supported customer service.

Patti had been working in Call Centers since the early 1970s. She had witnessed many of the changes in the customer service industry from the introduction of the toll-free 800 numbers to the Internet era. She saw herself as a Contact Center Director who had great people skills. Her employees loved working for her. All her references had spoken very highly of Patti and her people management skills.

Patti was troubled. While technology sounded great, she knew that changing technology meant changing how the business operated. She herself had a computer at home, purchased books online, and was quite familiar with technology. However, most of the Call Centers she had worked at before had not updated their technology to the extent that was currently being proposed. She was concerned about the reaction of the agents.

Case Study Questions

1. Would the agents accept the changes brought forth by technology?
2. How might the agents resist change?
3. How might resistance to change reflect on the center manager?
4. What steps could the center manager take to help the agents with change brought forth by technological innovation in the center?

The term *multichannel* means that there are multiple channels by which the customer can contact the company. Those channels include Web, e-mail, chat, voice, wireless text messages, fax, voice over Internet, face-to-face selling, billing, and postal mail. Multichannel customer relationship management (CRM) recommends tracking all forms of these interactions with customers within a database. By the Contact Center capturing high-quality customer information, the company can understand customer buying behavior, patterns, and preferences; streamline customer requests and orders; and even create future products based upon the customer's input. The total cost per sale should go down, and more profit can be realized. The Contact Center's customer information is the company's gold mine.

Using CRM to Become a Company Hero

With an integrated multichannel software solution such as CRM, the Contact Center has a great opportunity to play a pivotal role in the company. By properly mining and internally marketing the Contact Center's gold mine, individuals in the Contact Center can become heroes by exceeding service levels, presenting trend analyses, and acting as the voice of the customer inside the company every day. This is called *customer advocacy*. With the actual data about customers, Contact Center Managers can advocate for the customer and for product improvements. When the customer is accurately represented to the business, the business can direct its efforts toward providing products and services that the customer wants, thereby creating additional revenue for the company.

PERFORMANCE CHECKLIST

1. Call Centers have, over time, evolved into revenue-generating Contact Centers.

2. The five eras in Call Center evolution are: Call Center, Help Desk, Internet and Web Self-Service, Contact Center, and Multichannel Contact Center.

3. The evolution from Call Centers to multichannel Contact Centers depicts the unpredictable shifts that managers face within an evolving industry. Proactive identification of risks to the customer communication process can reduce the negative impact of changes in the Contact Center.

4. The evolution of technology requires managers to continually update their skills and increase their expertise by reading technology journals, attending technical seminars, and participating in change management skill-based training.

5. Contact Center Managers can play a pivotal role in facilitating revenue generation for the business by daily analysis of customer data.

WHAT DO YOU KNOW?

True or False

T   F   1. Your company's 800 number is on the Web site where it can be easily found, at most, within two clicks.

T   F   2. You don't need to provide phone support under e-service.

T   F   3. You should start transitioning your Call Center, help desk, or support center to a Contact Center.

T   F   4. It is not important to ensure the accuracy of customer contact data.

T   F   5. As a center manager, it is important to analyze and present important customer trends.

T   F   6. As an advocate for the customer, you are the voice of your customers.

ESSAY   IDENTIFY THE HISTORY OF YOUR CONTACT CENTER

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 describe how the history and perception of a center affect the work environment.

1. What is the history behind your help desk, Call Center, or support center?

2. Does your company perceive your support center as a Contact Center yet? If no, why not?

3. Does the company's perception of your support center motivate the employees who work there?

4. As a Contact Center Manager, what are your top three challenges?

5. In what areas do you need support in order to deliver the kind of service you would like to provide (e.g., mentoring, integrated CRM software solution, funding, customer data analysis software)?

ACTIVITY   IDENTIFY CUSTOMER RESPONSIVENESS IMPROVEMENTS

Reread the evolution section of the Call Center. Then describe what changed in the next era to improve upon customer response time in the prior era. Can you identify improvements that could have been made in each era to improve customer responsiveness?

The Call Center Era

How was customer response handled? What could have been improved to provide even faster customer response?

The Help Desk Era
How was customer response handled? What could have been improved to provide faster customer response?

The Internet and Web Self-Service Era
How was customer response handled? What could have been improved to provide faster customer response?

The Contact Center Era
How was customer response handled? What could have been improved to provide faster customer response?

The Multichannel Contact Center Era
How was customer response handled? What could have been improved to provide faster customer response?