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# The Customer-centric Contact Center:

*A New Model*



CONSORTIUM LEARNING FORUM  
**BEST-PRACTICE REPORT**

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## STATEMENT OF PURPOSE

*The purpose of publishing this report is to provide a reference point for and insight into the processes and practices associated with certain issues. It should be used as an educational learning tool and is not a "recipe" or step-by-step procedure to be copied or duplicated in any way. This report may not represent current organizational processes, policies, or practices because changes may have occurred since the completion of the study.*

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# Sponsor Organizations

**Aliant Inc.**

**Bank of America Corporation**

**BMC Software Inc.**

**Capital One Financial Corporation**

**The Chase Manhattan Corporation**

**Houston Community College**

**Industry Canada**

**JCPenney Direct Marketing**

**MetLife**

**Pitney Bowes Inc.**

**USAA**

**MD Anderson Cancer Center**

# Partner Organizations

**Crutchfield Corporation**

**Delta Air Lines Inc.**

**Garden.com**

**Marriott International Inc.**

**The Progressive Corporation**

**The Vanguard Group Inc.**

**Xerox Corporation**

# Executive Summary

**A**pproximately 25 years ago, companies began creating call centers for convenience and implementing innovative technology to realize cost savings. Customer service was viewed as a required offering. But because it did not generate revenue, it was considered a necessary evil.

Over the past decade, customer service and the call center industry have come a long way. The model of the reactive, transaction-based call center focusing almost entirely on efficiency has run its course. Companies are responding to changes in the business climate and creating a new strategic business model for their customer contact operation. Customer-centric companies are those built around the ideal experience of the customer.

The American Productivity & Quality Center (APQC) and Response Design Corporation (RDC) believe that a new model is emerging. This Best-Practice Report summarizes the findings from a study examining the characteristics and requirements for success of new-generation customer-centric contact centers.

Nineteen organizations participated in the study; 12 sponsored the study, and seven participated as benchmarking partners (those identified by the study team as having strong customer-centric practices in their contact centers). The study team also distributed a detailed questionnaire and received data from 32 additional companies, which is respresented as “data only” in survey results throughout the report.

## STUDY FOCUS

Drawing input from RDC experts and secondary research literature, the APQC study team identified seven key areas for research. These areas guided the design of the data collection instruments and were the basis for the key findings. A brief description of the seven areas follows.

### 1. Corporate Culture and Environment

- Motivation for the organization to become customer centric, including barriers that the organization had to overcome
- Customer service philosophy
- How culture has aided or worked against the contact center’s focus on customers
- How company leaders internally demonstrate their commitment to customer centricity

- How companies ensure that each contact with the customer is made with warmth and appropriate intimacy
- Individual responsibility in the contact center for resolving customer complaints

## **2. Employee Training, Staffing, and Incentives**

- Developing necessary qualities in customer-centric customer contact representatives
- Attracting, hiring, retaining, and motivating support talent that have both people skills and technical skills
- Optimizing staffing levels in the contact center to provide the level of customer service that customers desire, while balancing the company's cost and resource requirements
- Ensuring the contact center performance management system supports the employee and management behavior necessary to deliver the optimal customer experience

## **3. Levels of Customer Service**

- Providing mass customization
- Segmenting customers and determining levels of service
- Managing growth in the customer base
- Exceeding the expectations of customers
- Explaining service commitments to customers

## **4. Incorporating Customer Feedback**

- Soliciting customer comments
- Soliciting perceptions of competitors' performance as well as of company performance
- Determining the attributes that contribute to customer loyalty
- Demonstrating a link between a customer-centric approach and increased customer loyalty
- Sharing, posting, and updating contact center performance measures
- Having a future orientation toward customer needs

## **5. Interdepartmental Relationships and Consistency Across Contact Channels**

- Contact center relationship with other areas of the company
- Process for resolving conflict between departments
- Assurance that customer contacts and service delivery are consistent across all contact channels
- The process by which front-line service collaborates with back-room processes

## **6. Measuring Customer Centricity and Links Between Contact Center Performance and The Bottom Line**

- Measuring success in the contact center
- Ensuring customer contact representatives and center measures are balanced
- Balancing efficiency measures with softer measures of customer centricity

- Tracking internal metrics that are predictors of increases or decreases in overall company success or customer satisfaction
- Measuring ROI on customer-centric initiatives
- Constructing a business case to justify the strategic plan for customer centricity

### **7. Tools and Technology**

- Existing technology in place
- Assurance that everyone in the organization has a complete picture of the customer at all times
- Role of knowledge management systems to enable customer centricity
- Self-service technology

After interviewing best-practice organizations and examining data collected from both partners and sponsors, the following key findings were identified.

#### **Corporate Culture and Environment**

*Finding 1:* Currently, there is no one agreed-upon definition for customer centricity, although consistent characteristics are found among best-practice organizations.

*Finding 2:* Companies agree on and strive toward a core set of characteristics that are considered to be foundational to the success of customer centricity.

*Finding 3:* Best-practice organizations can easily identify what motivated them to start down the path of customer centricity. Despite varying motivations, each organization found a definite, identifiable catalyst for change.

*Finding 4:* The contact center must be strategically integrated with the rest of the corporation for customer centricity to be a successful “way of life.” This road to integration is rocky at best.

#### **Employee Training, Staffing, and Incentives**

*Finding 5:* Customer centricity is changing the definition of “universal representative” in the contact center.

*Finding 6:* In a customer-centric organization the well-being of front-line employees is considered pivotal to strategy success. Employees are rewarded for their customer-centric behavior, and organizations treat these employees as they do their valued customers.

*Finding 7:* When a company moves toward a customer-centric strategy the time horizon for realizing the return on investment for recruiting, hiring, training, and compensation lengthens.

**Levels of Customer Service**

*Finding 8:* Customer-centric companies tailor levels of service to their customer segmentation schemes.

**Incorporating Customer Feedback**

*Finding 9:* Customer-centric companies interact with customers constantly because they understand how quickly the requirements of a customer, segment, or marketplace can change. Without real-time communication a company can lose critical intelligence and customer loyalty.

*Finding 10:* Organizations reach customers by implementing multiple, well-integrated customer communication vehicles. The customer-centric intelligence gathering process is systematic, well-documented, and culminates in accurate, timely, detailed, and actionable results.

*Finding 11:* Customer-centric companies respond differently to customer feedback than other companies do.

**Interdepartmental Relationships and Consistency Across Contact Channels**

*Finding 12:* A customer-centric experience demands interdepartmental transparency. All interdepartmental handoffs and links are seamless, which leads the customer to believe that the company is one singularly customer-focused organism.

**Measuring Customer Centricity and Links Between Contact Center Performance and The Bottom Line**

*Finding 13:* Customer-centric metrics are a discrete set of macro-level indicators that provide managers a quick, comprehensive glimpse of organizational performance in meeting customer-centric goals. These metrics have a direct line of sight to the corporate customer-contact strategy.

*Finding 14:* A customer-centric strategy forces contact centers to develop a more structured approach to measurement.

**Tools and Technology**

*Finding 15:* Customer-relationship management technology is intimately linked to customer-centric strategy success.

**BENCHMARKING METHODOLOGY**

This consortium learning forum used APQC’s four-phased benchmarking methodology: planning, collecting, analyzing and reporting, and adapting.

**APQC’s Benchmarking Model:  
The Four-Phased Methodology**



**1. Planning**

The planning phase began with a one-day kickoff meeting hosted in Houston on May 9, 2000. Sponsors, subject matter experts, and the APQC study team finalized the study scope and best-practice selection criteria and selected best-practice organizations to visit during this phase.

**2. Collecting**

The data collection tools used to gather information include a screening questionnaire, a detailed questionnaire, and a site visit discussion guide. The screening questionnaire involved qualitative questions that determined if potential partner companies met the criteria of the study. The detailed questionnaire contained quantitative questions completed by sponsors, partners, and select additional participants. And the discussion guide included qualitative questions about targeted aspects of an organization’s customer-centric processes.

From October 3 to 4, 2000 the sponsors, partners, subject matter experts, and APQC study team attended a knowledge transfer session in Houston. The session consisted of best-practice transfer and presentations by subject matter experts.

**3. Analyzing and Reporting**

The APQC study team worked with the subject matter experts to analyze the information collected during the site visits and from the questionnaires. They discovered 15 key findings and reported them to the study participants.

**4. Adapting**

Study participants may take the findings to their organizations to facilitate improvement initiatives. APQC and the subject matter experts support the study participants through active and ongoing networking.

**SUBJECT MATTER EXPERTISE**

**Kathryn Jackson**

Dr. Kathryn (Kay) Jackson takes an aggressive role in providing expertise to the customer contact industry. She is an associate of Response Design Corporation, an organization she co-founded in 1989 to provide companies with educational consulting, multiple-level seminars, and knowledge-based products. RDC partners with corporate leaders to design quality solutions tailored to each market niche and customer base. Relying on her academic background and research skills, Jackson provides workable solutions to all those involved in customer contact.

Jackson has conducted groundbreaking research into such topics as the integration of the Internet into call centers, complaint management, and customer value. She has partnered with American Productivity & Quality Center (APQC) to provide subject matter expertise for six studies: *Customer Call Centers*, *The 21st Century Call Center Rep*, *Leveraging Call Center Investments to Enhance Customer Satisfaction*, *Call Centers and the Internet*, *Complaint Management and Service Recovery*, and *First-Contact Resolution*.

### **Peggy Newton**

Peggy Newton manages RDC's customer satisfaction surveying systems and the LeapFrog!™ metric database. She has been involved as a writer and analyst in various APQC studies, including: *Measuring Call Center Performance*, *The 21st Century Call Center Rep*, *Leveraging Call Center Investments to Enhance Customer Satisfaction*, *Call Centers and the Internet*, *Complaint Management and Service Recovery*, *First-Contact Resolution*, and *Customer Value Management*.

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### **ACKNOWLEDGMENTS**

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