

The 10 Biggest Call Center Mistakes

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Moving from traditional call center techniques to customer relationship management—an overview

It is no surprise that technology has driven much of call center innovation over the past 20 years. After all, virtually all industries have been impacted by computers and information management tools. Information is the heart and soul of call centers, and computing technology enables call centers to go far beyond the telephone-based models of the 1970s and earlier.

The future holds much promise for call centers. The increased use of information management techniques will allow companies to expand and enhance their customer relationships. Before we look into the crystal ball, however, let's review where the industry has been and what developments have defined call center technology to this point.

The first major advance was Automatic Call Distribution (ACD) in the 1980s. At the time it was a revolution, but in hindsight we view it as simply the first phase in the evolution of our industry.

The second phase in this evolution was the realization that call centers are “contact centers.” It is the interface at which companies interact directly with their customers. Perceptive managers saw the opportunity inherent in this new concept—by focusing on the customer's needs every contact was a kind of sales call. Existing customers could be retained. New customers could be developed. Accounts could be nurtured. Profits could be enhanced.

By the early 1990s data gathering techniques associated with the lowered cost of computers and data storage created both an opportunity and a challenge. The opportunity was open-ended. The data being collected could be used in many ways to leverage and improve the customer experience.

The challenge was in dealing with the volume of information. Customer histories and preferences could be accessed. Complete inventory information, availability inquiries, shipping information, and more could be brought up on screen. But raw information without context is useless. And comprehensive data in the hands of inadequately trained agents are wasted.

Therein lies the need for Customer Relationship Management (CRM)—the most important call center tool of the late '90s and beyond.

CRM is a system that organizes information to serve the customer's needs, extending and enhancing the bond between company and customer. It recognizes that technology is a means to this end and that the human dynamic between agent and customer cannot be overlooked or underemphasized. Technology enables, but interaction is essentially about a relationship between human beings.

Are you ready for CRM?

The benefits of CRM are so compelling that it will become the dominant contact center paradigm of the next decade. But, managers must ask themselves, “Is my organization ready for the changeover?” Some managers may hesitate to embrace the concept because of costs associated with any change in technology. That view is not well informed.

Consider the profit potential of CRM. You will be able to turn a “cost center” into a profit center. The costs of maintaining a contact center and its passive role as service provider can be offset by the fact that CRM has the ability to actively up-sell and cross-sell customers. Once you have contact with a customer, leverage the information you have about his or her needs and buying habits to suggest other product and service purchases. If the suggestions are focused on the customer's needs (rather than on your need for a sale) they will be welcomed as a true value-added service.

Turn contacts into customers

Of course, not every contact is from an existing customer. CRM technology, however, can help you turn inquiries and first-time contacts into accounts. Data provided by the customer can be compared with profiles of existing customers to provide agents with information that can make the sale. That's a powerful tool that should be in every contact center's repertoire.

Manage customer relationships in all media

CRM technology is not limited to telephone contacts. Be sure that you apply the same techniques and concepts to contacts made via fax, e-mail—and especially—the Web. Today's generation of integrated systems allows you to provide your customers with CRM's added value regardless of the contact medium.

Don't waste CRM's potential

CRM has tremendous potential for your business. Just pay attention to some of the obvious pitfalls when implementing the technology.

One classic mistake is to fail to integrate existing systems into your plan.

Another is to purchase a system that either can't grow with you or is so difficult to reconfigure that it can't economically grow with your needs.

And don't make the major mistake of failing to take note of important industry trends. Your competition is sure to take full advantage of any technique that you overlook. Smart managers maintain familiarity with the state of the art in Customer Relationship Management through trade publications, white papers such as this, industry seminars, and trade shows.

Whatever you do, don't make these mistakes

Maybe the biggest mistake is not learning from others' failures. Learn on someone else's nickel. Here are the Ten Biggest Blunders you can make. Read and heed.

Mistake #1—“Forklift upgrades”

You’ve heard salespeople give you the pitch—“Your system is so ancient that it’s more efficient to dump everything and start from scratch.” That is inaccurate to say the least.

Rather than wheel in a completely new system on a forklift, take the time to carefully consider which components can be integrated with your new CRM system. Why replace an entire system when upgrading can increase functionality and efficiency—and do it at lower cost?

When you toss out your old system, you not only abandon your investment in the hardware, but you also throw out thousands upon thousands of dollars in staff training. Moreover, it diverts capital that can be used for other purposes.

The right approach to upgrading

The forklift approach to system changeover is just too expensive for most organizations. A far more cost-efficient approach is to conserve your resources by upgrading your current system or installing an add-on, or interoperable, solution.

An interoperable solution can preserve your investment in equipment and training, yet give agents immediate access to information available in other enterprise applications. Just as importantly, the current generation of interoperable solutions can be tailored to fit your exact needs—both present and future. That’s because an open (as opposed to a closed or proprietary) system based on software is flexible. It can adapt to change. When picking a vendor, it’s important to look for one that gives data access and connectivity across the full range of enterprise resources. The key is to provide data at a time when it can do the most good—during customer contact.

When should you replace your entire system?

Replace your entire system when it can’t adapt to new requirements—in other words, you’ve just plain outgrown it. Luckily, that doesn’t happen often.

Replace when the system is too costly to reconfigure. Get a cost-benefit analysis before you make this determination. Again, it is a rare occurrence.

Replace when it is simply too expensive in terms of opportunity costs to delay. Consider the potential lost profit of not upgrading. It is possible that an entirely new system will get you to the next level faster—so you are able to provide profitable service sooner rather than later.

When should you repurpose your system?

You can redirect your existing equipment to new tasks when appropriate upgrades and middleware are available. That is about 90% of the time. You’ll find that not only will your original equipment manufacturer have upgrade paths, but that there are many third-party solutions to choose from.

Another good time to assign new uses to your existing equipment is when your staff knows the system inside out, likes it, and your customers know and like it. Change is difficult for all concerned. Make it easy on everyone by upgrading within your current structure.

When you can add functionality without disruption, this is also a good situation in which to give existing equipment a new job. Weigh the benefits of new systems against an inevitably rough transition. Repurposing can smooth the way.

Repurposing is easier than ever now that middleware solutions are widely available for most major systems. It is often the best path to true CRM.

Mistake #2—Accepting the limitations of proprietary solutions

There was a time—and it wasn’t all that long ago—when proprietary systems were the state of the art in our industry. But that time has passed. Open systems are now superior in virtually every respect.

Some managers settle for yesterday’s technology because they feel comfortable with the brand name on the box. Or because they feel safe in recommending a known brand to upper management. Or just because of inertia—it’s easier to keep going down the same path, even if it isn’t the optimal path.

They forget that business needs have changed, and that proprietary systems are inherently limited in their ability to change. Add to that the fact that proprietary systems have service contracts and other baggage and it becomes very clear—proprietary systems are expensive and inflexible.

Open systems, the hottest industry trend

Numerous vendors now offer open systems that effectively address today’s business requirements. Why are open systems the hot industry trend?

Contact centers are no different from every other information-based industry—the trend is to distributed computing, based on the PC platform (often with interconnection via the Internet) and open software standards. The cost of hardware is relatively inexpensive. The number of available software packages is impressively large. The effect is that proprietary systems are simply old hat.

For one thing, users don’t want to be tied to one vendor and one service source.

For another, proprietary systems are vulnerable because they are closed. If the manufacturer shuts its doors, or abandons the platform, users are out of luck. They now own an “orphan” system.

The classic example of a closed system that failed (largely because it kept its technology proprietary) is Wang. Remember when every large company had a Wang word processing system? And remember what happened to Wang when desktop systems came along? Those who purchased Wang systems in the early ’80s had themselves a very expensive dinosaur. Desktop word processing took the business community by storm. Much the same thing is happening right now in contact center systems.

Open systems provide you with a choice among best-of-breed solutions provided by smaller, highly agile companies that are at the cutting edge of CRM technology.

In addition, open systems integrate easily with outside databases. Ever try changing data formats? The chaos that ensues negates much of the benefit of the changeover. Open systems share data more easily than older proprietary systems can.

Finally, open systems are Web savvy. Their open architecture is ready to integrate with Web-based applications as they become more important to contact center functions.

Watch out for “hidden” proprietary systems

Because salespeople know that “open” is the hot buzzword, they may tell you their system is open when in fact it contains proprietary interfaces that may inhibit its ability to interface with other resources. Ask your salesperson these questions to find out how open the system really is.

Question #1

Can I interface this system with my existing hardware and software?

Question #2

Does this system conform to industry protocols?

Question #3

Will this system work with Web-based applications?

Mistake #3—Not using automation to reduce customer frustration

Everyone who has ever entered an account number by touch-tone pad in response to a voice prompt knows the unbearable frustration that follows when you do reach an agent. The first words you hear are invariably “May I have your account number please?”

There’s no excuse for that, given the state of CRM technology. Customers should be able to enter an account number once and expect that each and every person they interact with during that contact will have access to that number and the information associated with it.

By employing the technology to its fullest, you lower the customer’s frustration level, and you increase the efficiency of your agents.

Open systems make it possible

Open systems are able to distribute information from multiple sources to agents. Integrating a legacy system with new CRM systems is possible only in an open architecture, but it is key to speeding the contact experience, increasing customer satisfaction, and saving money.

Mistake #4—Underestimating the challenges inherent on the Web and in e-commerce

With each passing month it becomes more obvious that the future of CRM is intertwined with that of the Internet and the World Wide Web. The common element they share is interactivity. And the combination of the two, especially enabled by CTI (Computer Telephony Integration) and NLI (Natural Language Interface) will take the customer contact experience to a higher level that will benefit all concerned.

The power of interactivity teamed with Web technologies is a tremendous tool, but be sure that you use it well. A poorly thought-out interface can cause customer frustration—straining the relationship that you are attempting to strengthen.

Designing a Web-based system takes a little forethought, but some of the most frequent mistakes are easy to avoid. Some things to keep in mind are:

- Use clearly labeled buttons in your browser interface—don’t make customers guess which link they need to click to get the result they desire.
- Limit animations that can slow performance.
- Provide an easy way to reach an agent—either by phone or by chat box.

Get your staff ready for the Internet

Be sure that your staff is ready to answer customer questions regarding e-commerce and Web interfaces. That means training. It also means selecting the right agents for the job. You may find that you need a more highly educated staff. Certainly they’ll need to be thoroughly trained and educated in Internet functions as well as having customer and product knowledge.

Staff will need to be good communicators in all media—written and verbal. Agents who have proven verbal skills will need to make the transition to communicating in Web-style writing—short, punchy sentences that get the message across in the fewest possible words.

The result may be that you’ll pay higher wages for Internet staff. Productivity gains from the use of the Web, however, will help to offset, or even eliminate those costs.

Technical challenges

Your customer shouldn’t be forced to endure any difficulty in using integrated voice and Web systems. Which is not to say that you won’t encounter difficulty in achieving that integration. Remember that the technology isn’t a goal unto itself—you’re trying to enhance the customer experience and enhance the profitability of your business.

Find the right vendor

Hundreds of companies have sprouted up in the last three years claiming to be Internet experts. Unfortunately, too many can’t deliver on their promises. Look for suppliers who have experience that matches the evolution of the industry. Those who have been in the business through the transition from the ACD-based call center orientation through today’s blended media contact center environment will have the core competencies you are seeking.

Mistake #5—Building a brand in some channels and tearing it apart in others

Building a brand is expensive. You’ve devoted time and money to support your brand image in advertising, packaging, signage, and public relations; even your letterhead and business cards contribute to the brand personality. That’s a big investment and you need to protect it.

Every time a customer has contact with your organization, that customer forms an opinion about you and your brand. And even the best brand-building efforts can be diminished in the course of one bad contact experience. That’s why you have to ensure a consistent, pleasant, satisfying contact experience that enhances your brand.

Make sure that your brand message is consistent across all media. That includes the Web. Don’t change your message based on the medium, you’ll just wind up confusing the customer and tearing apart the brand image you’ve worked hard to establish.

Remember:

Use a consistent brand message. Just because your customer is contacting you via the Web does not change the essential character of your brand or the character of the relationship with your customer.

Keep the tone of your message congruent with your product. If your product is serious (financial services for example) the tonality of communication over the Web should reflect that. If the essential quality of your brand is fun, the contact experience shouldn’t feel the same as filling out a mortgage application.

Mistake #6—Implementing non-scalable or short-term solutions

Penny-wise and pound-foolish managers solve their call center challenges a year at a time. In effect they make this year's solution next year's opportunity to change everything all over again. They fail to understand that an effective CRM system needs to be flexible to accommodate growth and respond to business opportunities.

It is important to keep in mind that CRM techniques really work. And that means your business will benefit from increased volume and profits once you start using CRM.

Be alert to the opportunities that CRM will provide and have the system capacity to address those opportunities. The adjunct to that is to have the capability to easily and quickly increase system capacity.

In other words—plan ahead. It's always more economical and more effective to plan to accommodate growth rather than having to try to force a solution on that growth at the last minute.

Remember:

A solution that works only for a short time is too expensive. It wastes your time in researching and installing the present system and the replacement system that you have to buy and install in the future. That means wasted money and wasted staff resources. Worse yet, it squanders the good will you've built up with your customers. Rather than maintaining and enhancing the customer relationship, it simply wears on your customers' patience.

Mistake #7—Dumbing down network components to facilitate faux integration

CRM systems are only as good as the weakest link in the chain. Be sure that the middleware you select enhances rather than inhibits performance.

Too often the wrong middleware solution serves only to slow down system performance. In effect the entire system is “dumbed down” to meet the lower standards of the middleware. The result is slow system response, difficulty accessing customer data, and an unsatisfactory customer experience.

That doesn't have to be the case. Properly selected middleware should provide a bridge between components that allows all modules to communicate with one another near their highest performance potential.

Layering—the new approach

The latest development in providing connectivity has been termed “layered software.” This approach creates layers of functionality so that all modules can operate at their most efficient level. Not all modules will be able to communicate data at the same rate, and translators may be needed between old and new components, but every layer is optimized for best performance.

This approach leverages your existing investment to best use. It is recommended for those who seek a middleware solution to integrate existing systems with more advanced equipment providing additional functions. It offers many of the benefits of an open system—while retaining your investment in equipment and staff training.

Mistake #8—Believing that all customer inquiries (and by extension, all customers) are created equal

What method do you use to prioritize contacts? You do prioritize don't you? Just be sure that you don't prioritize by the medium of contact.

It sounds odd—after all, phone contacts need to be handled differently than Web contacts—but you need to keep focused on the customer. Prioritize by the customer, not the method of contact.

Use the new CRM techniques like data mining.

With data mining you can route calls by customer history—by buying habits, by specialized needs that require specific agent skills, by size of account, etc. For instance, it only makes sense to move your best customers up in the queue. Make their wait time as short as possible in order to make their contact experience the best you possibly can.

This may sound obvious, but be sure that all of your agents have access to customer information. It's not so obvious to customers who have to repeat account numbers time after time as they are handed off from agent to agent. And be sure that data are updated continuously so that all agents can address the customers' current needs, not their needs from last week or last month.

Remember:

Your relationship is only as good as the last successful contact.

Mistake #9—Expecting your order takers to be problem solvers without proper training

Good systems work as intended only when you have good agents. Maximize your investment in equipment and systems by hiring and training quality agents.

Well trained, knowledgeable agents are a necessity in today's contact center—Web integration and the consequent explosion in information available will make high-quality agents even more important to your success. Agents need to have specific, in-depth knowledge about products, services, and customers. Agents need to have high-level communications skills. Agents who are only order takers cannot provide the contact experience the customers expect today. Customers want their problems solved by an agent who takes initiative and responsibility.

Use technology to help your agents work smarter

Those high-quality, well trained, knowledgeable agents are going to cost more in wages, so you need to make sure they are working to their potential. The right system can allow agents to be more productive, lowering the cost of each contact. Free up your agents from simple repetitive tasks such as account inquiries, ordering, directions, etc. with intelligent systems. New advances in IVR (Interactive Voice Response), CIVR (Computer & Interactive Voice Response), and NLI Web-based systems can handle the bulk of such transactions and allow agents to devote their attention to customer interactions where they can be of most use. These systems also allow agents the opportunity to take the time to up-sell and cross-sell your best customers.

Incorporate computer-telephony integration for maximum productivity

We've seen computer telephony integration (CTI) become a major industry trend within the last few years. There are two prime forces that have made this so. First there is the efficiency that CTI enables. Second is the switch to open architectures.

CTI is now seen as integral to the call routing and managing process because it allows databases to be integrated with all contact center functions. The efficiency gained is impressive.

With links to current customer files, and to customer histories, agents save time, handle more calls, and provide a better contact experience for the customer.

CTI alone, however, is only part of the solution. It has to be accompanied by a workflow engine and a framework to integrate with existing enterprise application. Without a workflow engine you will have to resort to low level C programming to implement a CTI solution that will result in an inflexible solution. Workflow-enabled CTI and application integration are essential for a comprehensive CRM solution.

A workflow system that has a visual "drag and drop" development environment and has pre-built modules is essential to implement a business process that can adapt to a dynamic e-business environment. The ability to program visually what used to be hard coded in C allows you to implement in days what typically took months. Furthermore, what used to be hard coded is now easily modified. This allows you to rapidly implement a business process and incrementally improve to respond to change. Rather than attempt to develop a perfect scenario (which is rarely if ever achievable) that is hard coded and nearly impossible to change, workflow-enabled CTI allows you to quickly implement a process and then tweak it as you get feedback.

One particularly effective strategy using workflow-enabled CTI is to update customer files in real time so that all departments are made aware of changes. For example, when an agent takes an order from a customer, that order should trigger messages to inventory to fill the order and adjust inventory status, reorder from suppliers, etc. The shipping department should receive complete shipping information—shipping labels should be automatically printed but also keep in mind that a well structured system can provide the correct catalogs or other sales material that should be packed with the order to facilitate additional sales. And finally, Accounts Receivable should receive an update with payment information.

The entire company can work more efficiently when this information is gathered and distributed on a real-time basis.

Mistake #10—Providing irrelevant information to customers

Customers appreciate relevant information. They resent irrelevant information.

Consider the following situation where you have a Platinum card customer on hold. He is waiting (not good to start with) and he hears a message directed to Gold card customers. You've lost out on two levels. The customer is irritated by having to listen to a sales pitch that has little to do with his needs, and you've wasted a chance to speak to a good customer about goods and services that he might well want to purchase.

Every contact should be maximized for the customer's benefit (and yours). Because you don't have the chance to interact with your customers very often, you must make sure that every contact is maximized. That is the core of CRM.

CRM techniques make targeting customers practical, so that you can provide them with information they want as well as need. In fact, effective data mining can allow you to deliver personalized messages to customers. By using CRM you don't have to waste that contact opportunity.

Summary

The history of call center technology has been one of increasing focus on customer needs. That has resulted in CRM, Customer Relationship Management, a solution that utilizes computer hardware and software to route calls to highly trained agents, provides the agent with specific information about the needs and purchase history of the customer, and facilitates a satisfying customer experience with each contact.

Make sure you focus on the customer's contact experience. And follow a few simple guidelines:

- Don't be guilty of misusing the opportunities that CRM provides.
- Employ CRM across all media—phone, fax, Web, and e-mail—to ensure that the customer contact experience is consistent.

- Make sure that your agents are trained to up-sell and cross-sell in the CRM environment.
- Use open systems that offer you the ability to adapt to business growth and unforeseen opportunities.
- Do not be locked into a proprietary system that inhibits your ability to respond to customers.
- Respect your customers by giving them the information they need and want.

CRM is the most powerful contact management tool available. Properly employed it will more than offset the investment required in equipment and training. But more than that, it will create a new kind of relationship between your company and its customers. We are in the information age and the increased flow of information that CRM directs and encourages between you and your customers will be the force that enables your future growth.

If you have any questions regarding CRM and its associated technologies please contact Aspect at 1 (888) 412-7728.



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