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## Extend Business Process Management To The Front Office To Transform Customer Service

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### EXECUTIVE SUMMARY

Customer service managers struggle to balance customer experience and cost: Siloed communication channels, impersonal service, and an inability to enforce company process or meet regulatory compliance negatively affect satisfaction and increase costs. By extending business process management (BPM) best practices and technology to the front office, customer service organizations can improve the consistency of service delivered, elevate agent efficiency, personalize service, and meet compliance goals — at a cost that makes sense to the business. Companies using BPM-centric customer service solutions from vendors like Genesys Telecommunications Laboratories, KANA Software, Pegasystems, and Sword Ciboodle report impressive improvements in customer responsiveness and cost metrics. To get started, customer service leaders should: define and implement consistent business process flows for each communication channel; unify the agent desktop; use knowledge intelligently; and incorporate feedback loops for continuous improvement.

### CUSTOMER SERVICE MANAGERS STRUGGLE TO BALANCE CUSTOMER EXPERIENCE AND COST

According to Forrester's Q4 2009 Customer Experience Peer Research Panel Survey, 90% of customer service decision-makers state that a good service experience is critical to their business in 2010, and 80% want to use it as a differentiator.<sup>1</sup> Yet customer service organizations continue to struggle to offer a service experience that meets customer expectations at a cost that makes sense to their business.<sup>2</sup>

The root of this dilemma is the inability to consistently manage customer service business processes. Customer service decision-makers understand the discovery process that they would like their agents to follow when resolving an issue for a customer. In many cases, this discovery process is documented in step-action guides that outline the sequence of steps that agents must follow. These steps include instructions on how to locate the customer information, the transactional data, and the knowledge that the agent needs to further the discovery process. However, customer service organizations often lack the ability to enforce consistent discovery processes across disconnected sources of information and knowledge.

This problem has number of consequences:

- **Siloed communication channels impede customer satisfaction.** Knowledge, transactional data, and customer history are often neither consistent nor consistently available across communication channels. Forrester surveys spotlight that 90% of companies have unintegrated communication channels: phone, email, chat, and Web self-service.<sup>3</sup> This means that customers receive inaccurate

and inconsistent service across the different channels. It also means that customers will use more than one channel to find the information they need, which drives up costs and decreases satisfaction.<sup>4</sup>

- **Failure to deliver personalized service degrades the customer experience.** Customer service agents often do not have the contextual knowledge to offer personalized experiences that comes from the customer's profile, past purchase history, and the issue at hand. As a consequence, customers receive impersonal, one-size-fits all service.
- **The inability to enforce process affects costs.** Customer service agents must often use multiple disconnected applications to resolve a single customer issue. In addition, service managers cannot enforce a standardized discovery process across the apps, which negatively affects agent consistency and productivity, increases agent training times, and leads to a higher level of agent turnover due to frustration with the tool set. For example, a major healthcare company calculates that agent process errors cost the company \$9 million a year. These errors, known as "rework," are the result of agents making mistakes when updating details of member plans such as address changes, changing dependents, or name changes. The impact of these mistakes is not limited to customer service alone and has a ripple effect through departments such as marketing and claims.
- **Noncompliance with established policy incurs penalties and expense.** For example, a major online and brick-and-mortar retailer calculates that its inability to enforce company policy when servicing irate customers leads to a loss of \$3 million to \$4 million a year. The retailer's policy is to extend coupons to 80% of irate customers and to give rebates on purchases already made to 20% of customers, who must meet stringent criteria. However, service managers are unable to enforce this policy, and agents issue a higher percentage of rebates than planned. This is an accounting issue: Unused coupons on the balance sheet are positive indicators of future sales, but rebates that pile up in large quantities can risk a restatement of prior earnings.

## BUSINESS PROCESS MANAGEMENT: A POWERFUL CHANGE AGENT FOR SERVICE MANAGERS

To address these challenges, Forrester observes that customer service leaders are increasingly turning to business process management suite (BPMS) solutions.<sup>5</sup> Forrester defines this category of solutions as:

*Business process management (BPM) refers to a broad category of software, typically sold as a suite, which automates, improves, and optimizes business processes across the full range of process activity — including human-, document-, and integration-centric scenarios.<sup>6</sup>*

Extending business process management suites to the front office introduces the consistency that customer service decision-makers need to control the service experience from a cost and customer

satisfaction perspective. BPM software does this by applying contextual business rules and process rules that govern the customer interaction. Coupling contextual knowledge to business process enables agents to deliver targeted, personalized service to customers.

Taking a BPM-centric approach benefits customer service by:

- **Improving resolution process consistency.** In most cases, other than in very complex interactions, process flows can be created that model repeatable customer service discovery processes. These flows can be standardized across communication channels and can also extend to back-end processes. Agents are led through these flows, ensuring a consistent service experience for a particular issue type.
- **Guiding agents through a defined experience.** Agent training time and turnover is minimized as agents are guided through the discovery process instead of needing to learn and remember the sequence of steps to be taken to resolve an issue.
- **Elevating agent efficiency.** Business process flows are comprised of a sequence of steps. Each step maps to an agent user interface screen. The information and knowledge presented at each step of the process can be pushed to the agents so that they have the necessary information at the right step of the process. This increases agent efficiency by minimizing the time taken for agents to look for and discover pertinent information from disconnected customer service tools and knowledge repositories.
- **Personalizing service.** Contextual knowledge, based on the persona of the customer, customer history, and issue at hand can be pushed to the agent at the right step in the business process flow. With this knowledge in hand, agents can deliver a more targeted and personalized experience to the customer, increasing customer satisfaction.
- **Driving policy compliance.** Required compliance steps can be built into the process flows that agents have no option other than to follow, minimizing noncompliance penalties.
- **Improving goal management.** Cost and satisfaction service levels can be set up and monitored for every process step. Escalation paths for issues nearing SLA targets can be automatically escalated to ensure that all interactions meet overall cost and satisfaction goals.

### Case Study: An International Bank Adopts BPM To Improve Service While Cutting Cost

An international bank was unable to meet its customer satisfaction goals: Customer service agents in its 23 contact centers all followed different operational processes, and agents had to use up to 18 different applications to service a single customer. To solve this problem, the company implemented a user-friendly, process-driven unified agent desktop. The solution chosen was Sword Ciboodle.

This reduced the number of applications from 18 to one, and it increased an agent's ability to resolve multiple queries during a single transaction. Empowered agents now have all the information they require in one place, and as a result, first-contact resolution (FCR) has improved across all queries by 30% and call transfers have been reduced by 20%. The bank calculates an operational savings of £32 million during the first 24 months of operation.

### **Case Study: An International Bank Adopts BPM To Improve Agent Productivity By 400%**

With the rapidly emerging markets of Central and Eastern Europe, Poland is a fertile battleground for many international banking companies, one of which wanted to expand its footprint in this region. Their efforts were successful, with the bank increasing its customer base by 10.5% in 2007. To accommodate this growth of customers, the bank increased its employee base to more than 8,000 agents supporting 400 bank outlets and multiple communication channels including Web self-service, phone, and SMS. However, the siloed and antiquated customer service ecosystem had a negative impact on customer satisfaction, reduced sales, and drove up operating costs.

To solve this problem, Pegasystems was chosen to provide client-centric service that delivered products best-suited to each individual's needs and financial objectives. Agents are able to deliver service consistently across each communication channel using management tools that guide agents through resolution processes. As a result, productivity has boomed. Agents now handle 400% more interactions through the call center than they did before Pegasystems was implemented. In addition, customers are more satisfied, and more apt to act as a reference to a new customer, which has increased customer acquisition targets and overall revenue.

### **Case Study: A Telecommunications Company Achieves Improved FCR With BPM**

A large telecommunications company had been using an email response management system (ERMS) to process customer service requests. Throughout the years, the underlying business processes used to manage email deteriorated. The company began experiencing service escalations from routine tasks such as misrouted emails. These missteps ran counter to the company's customer service mission and negatively affected agent productivity.

The company decided to realign its solution from KANA to implement mature, well-documented service business processes across customer service departments. Web inquiries and emails are now queued, routed, and if necessary, escalated to the right agent pool using KANA's advanced workflow and automation capabilities. In addition, the different agent pools have access to highly contextual knowledge that results in greater agent productivity and improved first-contact resolution, since agents don't lose time and customer patience sifting through unnecessary information to find the appropriate solution. The company has also seen a decrease in the number of calls per subscriber, a gold standard for satisfaction measurement in the telecom industry.

### Case Study: An Insurance Company Boosts Productivity With BPM

A major insurance company fielded a variety of contacts over the different communication channels it supported — 10 million paper correspondences, 2 million faxes and emails, and more than 10 million calls. Customer service managers struggled to manage agent workload, provide consistent yet personalized service, and to promote cross-sells and upsells at appropriate times in the service process. The company chose a Genesys Telecommunications Laboratories solution to solve these problems.

Genesys intelligently distributes the workload to agents over all communication channels, based on the volume of inquiries, type of inquiry, and skill set of available agents. Simple questions are routed to junior agents, while complex questions are routed to agents in the suitable specialty area, where the appropriate workflow is initiated for further internal processing. Business processes recommend the appropriate cross-sell or upsell product for the customer at the appropriate point in the service resolution process. Since the installation of Genesys, the insurance company has seen a 20% increase in productivity, with a return on investment period of less than two years.

## RECOMMENDATIONS

### START ADOPTING BUSINESS PROCESS MANAGEMENT NOW FOR CUSTOMER SERVICE

There is no need to boil the ocean to incorporate business process management within a customer service organization. Companies can easily take small but significant steps to move in the right direction. Customer service executives and managers should:

- **Audit their customer service ecosystem.** Perform a thorough audit of customer service processes across supported communication channels and highlight the differences. Look for ways that processes can be standardized.
- **Create a knowledge program.** A good knowledge program is critical to delivering consistent answers. A knowledge program consists of people, processes, and tools to create, maintain, gather feedback, and improve knowledge delivered to your agents and customers. Make sure that you organize corporate knowledge appropriately so that the right knowledge can be accessed for each channel, customer type, product, and service supported.
- **Unify the agent desktop.** See whether there are natural integrations within the customer service tool set so that agents can access all the information they need within a single desktop instead of having to navigate through multiple applications and knowledge sources. This can be done at the user-interface level or with deeper IT integration.
- **Add a foundation of business rules and decision support.** Best-in-class vendors have integrated customer service and interaction channels to provide common underlying workflows, business rules, and decision support, as well as seamless transition between contact interaction channels. Workflows can extend to the back office for greater efficiencies.

- **Incorporate feedback loops.** Measure the success of customer service interactions against cost and satisfaction goals. Streamline your processes to improve and evolve customer service in line with greater business goals.

## SUPPLEMENTAL MATERIAL

### Companies Interviewed

Genesys Telecommunication Laboratories

Pegasystems

KANA Software

Sword Ciboodle

## ENDNOTES

- <sup>1</sup> Forrester surveyed 141 customer experience decision-makers from large North American firms. Ninety percent said that customer experience would be either very important or critical to their 2010 efforts. See the February 19, 2010, "[The State of Customer Experience, 2010](#)" report.
- <sup>2</sup> 5,212 US and Canadian households were surveyed. Results showed that most consumers expect a poor service experience when trying to resolve a customer service issue. See the December 2, 2009, "[Consumers Expect Poor Service Experiences](#)" report.
- <sup>3</sup> Forrester surveyed 279 contact center decision-makers in North America and European enterprises about trends in their contact centers and found that multichannel integration is anticipated in 10% of contact centers. See the August 13, 2009, "[Contact Center Purchase Plans And Trends In 2009](#)" report. In a recent survey, Forrester found that 24% of the respondents are supporting multichannel initiatives in 2010. See the May 14, 2010, "[Contact Center Purchase Plans 2010](#)" report.
- <sup>4</sup> Forrester asked US consumers what they did after their first channel of choice — either Web or phone — failed to provide the information they needed. For consumers who persevered with the original firm, we found that they would turn to different communication channels for information. See the April 9, 2010, "[What Consumers Do When They Can't Complete A Goal In Their Channel Of Choice](#)" report.
- <sup>5</sup> For quite some time, Pegasystems (Pega) has pursued customer experience and customer service business through its strong rules-based business process management (BPM) offering and customer process management framework application. Now Pega has thrown down the gauntlet to other CRM vendors by acquiring Chordiant, a CRM vendor that could provide key pieces that Pega lacks. Pega isn't abandoning the mainstream BPM market in favor of CRM — it's just strengthening its hand by more forcefully connecting business process and the delivery of great customer experiences. Apart from new marketing automation and analytics capabilities, Pega also gets solid tier one customers in new sectors, a valuable team of engineers and CRM domain experts, and new sales channels. Rather than a major apps vendor buying a BPM suites vendor, this is the first time we've seen a major BPM suites vendor buy an apps vendor. The most important takeaway? Packaged suites are slowly giving ground to BPM-enabled processes. See the April 7, 2010, "[Pegasystems Acquires Building Blocks For Next-Generation CRM](#)" report.

- <sup>6</sup> Business process management (BPM) refers to a broad category of software, typically sold as a suite, that automates, improves, and optimizes business processes across the full range of process activity — including human-, document-, and integration-centric scenarios. Enterprises face increased demands for improvements in business agility; BPM tools can remove many of the barriers to success. However, BPM tools vary significantly and consist of different configurations of technology components, depending on the tasks being addressed. This presents a daunting task for business process professionals and others at enterprises that are trying to develop a coherent and flexible BPM strategy. Accordingly, Forrester has identified 15 key technology components and evaluated their current and future ecosystem phase, business value-add, and overall trajectory to support a more thorough planning of BPM program efforts. See the August 13, 2009, “[Forrester TechRadar™ For BP&A Pros: Business Process Management Suites, Q3 2009](#)” report.