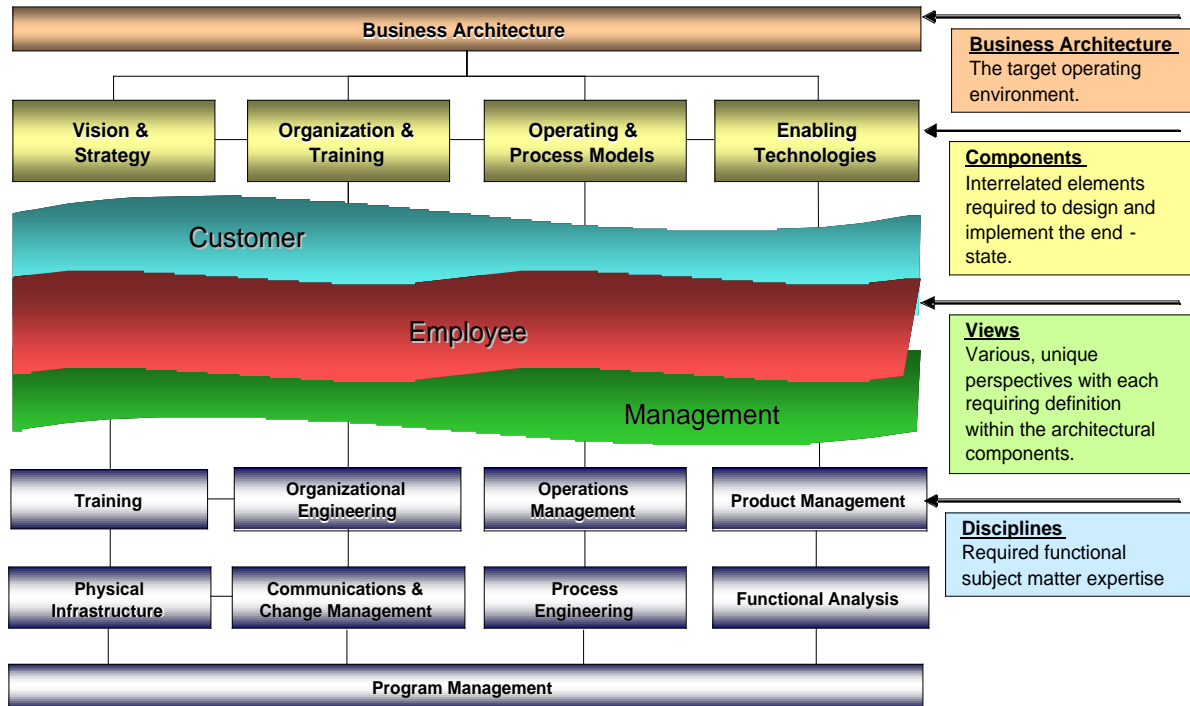


# Mastering the Customer Experience: The Key Drivers for Success

## by IBF Management LLC

In today's environment a successful enterprise requires a clear and sustainable competitive advantage in the marketplace. A *strategic differentiation* can be gained by focusing on the single most important element of success – the customer. A business can ensure success by managing the customer relationship and providing world-class customer care, field support and billing services as efficiently as possible.

Prior to exploring the factors that influence customer service and the impact to the business, it is helpful to first appreciate the breadth of the design elements. The illustration below details the facets of developing and executing a comprehensive strategy that is oriented around a common, clearly communicated vision and migration path.



Success is achieved through operational integration based on a structured alignment of disciplines across the enterprise. The following describes the key drivers and approach for mastering the customer experience.

## CUSTOMER SERVICE DRIVERS

Several evolutionary drivers – regardless of industry – are having a profound impact on customer service: *strategic value* of customer care, an enterprise approach to *customer relationship management*, *operational innovation*, *technological advancements* and *customer expectations*.

**Strategic Value.** The customer service delivery model has a long, progressive history: administrative customer support – reactive customer service – proactive customer care –and, ultimately, Internet-based collaborative service. The services business continues to strategically evolve: from a ‘cost of doing business’ that is vertically organized by narrowly defined segments of work/activities; to a multi-channel, cross-organizational approach that is horizontally aligned around customer-focused processes. This strategic paradigm shift represents the recognition of customer service management as a mission critical asset to the corporation for revenue-protection and revenue-generation opportunities.

- Increase customer responsiveness and satisfaction
- Create customer loyalty and increase retention
- Lower marketing and account acquisition costs
- Enhance corporate image and competitive advantage

**Customer Relationship Management.** Enterprise-wide customer relationship management has broadened the concept of customer care – no longer is it satisfactory to develop strategies and operations within ‘organizational silos’. Personalized customer contacts – the basis for a business relationship – require common customer knowledge across internal functional areas. In addition, customer segmentation rules based on contact triggers are necessary to reduce ‘flight risk’ of high-valued customers. An overall approach is required to synchronously manage across the traditional customer-interfacing organizational boundaries, e.g., marketing, sales, field service, technical and aftermarket support.

- Understand customer expectations and relationship management trends
- Create company-wide customer management
- Establish ‘learning relationships’ with customers

**Operational Innovation.** As corporations strategically leverage the customer contact, innovation inherently follows. Leading-edge service organizations will look beyond the four walls of a particular operation and deliver customer contacts to the most appropriate associate regardless of reporting structure – applying the principles of the contact center across the enterprise. Thus, as benchmarks in providing exceptional service evolve, the continuous improvement paradigm becomes more of a necessity. It is imperative, in the global competitive landscape, to not only benchmark within and across industries but strive to stay on the leading edge of providing world-class customer care – based on customer needs and exceeding expectations.

- Provide service outside the traditional channels for 24x7x365
- Set customer service objectives that drive personalization adoption
- Create data- and knowledge-sharing infrastructure
- Learn from customer data
- Realign compensation with customer satisfaction and retention

**Technological Advancements.** Technology applications are unique in both supporting and driving operational requirements – consistently ‘raising the bar’ in how customer and operations support are defined. Advancements in both operation support systems and customer-facing technologies promise flexibility and innovation. It is necessary to address human factors, business rules and workflow for a business to capitalize on these innovations. In addition, the Internet and other electronic communications raise unique challenges. For example, how to provide proactive, personalized service in an inherently impersonal environment where certain customer touch points, such as email, are not real-time.

- Set the pace with personalized, proactive service
- Break down service silos to show one face to the customer
- Coordinate across all customer contact channels

**Customer Expectations.** Customers, too, are evolving: the expectations of customer service transcend industries. Expectations have evolved to the point where exceptional customer service is considered the minimal requirement and personalized, proactive customer care is gaining momentum. Exceeding customer expectations and providing solutions to both explicit customer requests and implicit customer needs are the primary objectives.

- Master customer interactions on- and off-line for 24x7x365 availability
- Blending of sales and service paradigms

An organization faces many challenges in achieving operational excellence and service delivery success. Customer service must be synchronized across the business in order to master the customer experience. A logical, phased approach that is customer-focused, adapts to the changing environment, encourages continuous improvement and leverages the customer contact personnel is advantageous to both the operation and customer.



## BRIDGING STRATEGY, PEOPLE, PROCESS & TECHNOLOGY

Success is based on viewing the customer experience horizontally across the entire organization – identifying at the functional level how each activity across the enterprise impacts the success of the organization and ultimately the customer.

A successful organization must understand its customers, anticipate their needs and expectations, and ensure that all services, processes and organizational structures support the ability to deliver the quality services that customers require.

**Strategy.** The management team and business sponsors must articulate the strategic importance of customer service. In developing the enterprise portrait of customer care, the strategic drivers will influence the resulting vision and scope. Key business strategies include:

- Increase customer responsiveness and satisfaction
- Create customer loyalty and increase retention
- Lower marketing and account acquisition costs
- Enhance corporate image and competitive advantage

The *customer perspective* should be integrated into the vision. For example:

- *Speed of Service* – ensuring that when a customer contacts the organization, the inquiry or problem is handled timely, efficient and during the first contact. Examples include:
  - Responsiveness to all contact methods utilizing an efficient workflow with minimal hand-offs
  - Providing an intuitive customer self-help interface with immediate access to information and people
  - Minimal wait time for calls and quick response to e-mail, faxes and other contact methods
  - Providing priority and special handling to high-valued customers
  - Providing ‘warm’ transfers when a hand-off is necessary.
- *Quality & Accuracy of Service* – personalized service based on the customer profile and customer segmentation rules. Examples include:
  - Knowledgeable personnel performing value-added activities in support of the customer
  - Accurate transaction processing and validation via knowledge-based infrastructure (whether performed by company personnel or directly by the customer)
  - Knowing the customer, activity history and preferences
  - Tailoring service based on market/service segmentation
  - Qualifying customer contacts and anticipating needs with an innovative contact experience
  - Service based on the needs of the customer
- *Ease of Service* – allow customers to choose the media option for doing business and creating cross-channel customer service. Examples include:
  - Providing integrated, alternate access points (channels) for customer service (phone, fax, e-mail, postal mail and Internet)
  - Allowing anytime customer service
  - Consistent information and service across all communications channels
  - Flow-through of service as customers cross communications channels for a given inquiry or request
- *Range of Service* – flexible business processes that respond to customer demands and the range of requests. Examples include:
  - Service based on customer segmentation
  - Providing the perception of dedicated support
  - 24 hours a day, 7 days a week, customer service availability.



**People.** Successful organizations view customer service as a corporate responsibility. Ownership belongs to all employees and is realized within a team-based and empowered organizational structure that supports associates in meeting customer needs.

- Broad empowered teams focused on external customers
- Teams measured and accountable for business results
- Performance incentives and rewards
- 'Menu' of training and education opportunities
- Information, resources and power in hands of associates in direct contact with customer
- Horizontal team structure where management supports associate in satisfying the customer
- Team involvement in continuous improvement process



The underlying *people principles* are based on developing and retaining customer-contact associates who are valued, knowledgeable professionals that provide bottom-line benefit in both productivity and customer interactions.

- Organized Associates
  - Clearly defined roles, responsibilities and career development
  - Effective work force management
- Skilled Associates
  - Hiring standards defined
  - Intensive multi-disciplinary training curriculum that includes formal customer relations, service offerings, technology, proactive selling and customer contact etiquette
  - Cross-functional team skills to ensure the ability to backfill and provide appropriate coverage at the customer interface
  - Investment in ongoing, new service training
  - Performance shortfalls addressed with counseling and further training
- Motivated Associates
  - Energized via recognition, awards and bonuses for superior performance and suggestions
  - Accountability for end-to-end performance and customer satisfaction
- Empowered Associates
  - Act on customer needs and have the pre-defined level of authority to waive charges/fees to maintain customer satisfaction
  - Assume ownership for customer excellence
  - Supported by the appropriate knowledge management tools for consistent decision-making – placing information, resources and power in the hands of the associates that are in direct contact with the customer

The customer contact personnel are the most critical factor affecting success. An efficient structure supports associates in meeting customer needs – with the necessary investment in the environment, skills and knowledge of associates.

**Process.** As the 'strategy in action', detailed business processes and efficient workflow ensure value for both the customer and corporation. The aggregated processes that deliver the major requirements for service delivery must be examined. For example:

- Effective handling and timely delivery of a customer request, e.g., sales and ordering
- Maintaining the product/service with timely response and resolution of customer or internally triggered problems; includes performance management and reporting on all aspects of service delivery
- Timely and accurate bills; including invoicing, adjustment handling and payment collection

There are several key principles for developing logically related and continuously evolving business activities that generate value for both the customer and the company.

- The capture and maintenance of operational, strategic and competitively advantageous data for the business (i.e., customer information as a strategic asset) allows personnel to increase sales and satisfaction by having real-time access to current information.
- The transformation of information into knowledge. The infrastructure required for the successful execution of the business processes – ensuring that the appropriate knowledge exists with the right associate, at the right time in the business process. Associates must have real-time access (as well as contribute) to the corporate knowledge base.
- The intelligent handling of incoming and outgoing communications – ensuring one contact resolution ('one & done') and innovative customer interactions. Based on the explosive growth of the Internet and consumer expectations of e-sales/service, a successful organization will focus on web-enabling the customer contacts and allow for multiple points of access into the operations. The processes should vary by customer segment, where appropriate, with minimal callbacks or hand-offs.



For the range of customer interactions and contact types, work process flows must be developed, expected cycle times calculated and cost of performance estimated. In addition, the business processes will need to be translated to procedural text to sustain optimum performance.

**Technology.** Technology must be implemented and managed with a tight linkage to the evolving processes within the enterprise, targeted at the defined strategic objectives in support of both the business and the customer.

The old adage that 'process drives technology' has come under fire in recent years. While it is true that the technology landscape has become much more dynamic, the linkage between technology and process is still a critical success factor.

The key questions to be addressed in an existing environment revolve around the current utilization of the applications.

- Has the business availed itself of all the functionality?
- Is the organization properly aligned to maximize the utility of the existing applications?
- Are there major gaps in current functionality?



Organizations that do not periodically review their operations in this context frequently sub-optimize their current environment and commit to major technology investments without achieving the anticipated gains.

To avoid becoming 'technology rich versus technology enabled' the organization must first create the optimum workflows and processes required to support the strategic objectives. This activity when executed properly will drive a horizontal view of the organization eliminating the sub-optimization of processes and technology investments inherent with the traditional silo or departmental approach to process development.

## CONCLUSION

The underlying goal of all business investments is to ensure that they benefit both the customer service mission and the strategic goals of the enterprise.

Focus and discipline are required during business start-up, reengineering and continuous improvement initiatives – with the design and implementation following a structured methodology. However, the environment and marketplace will not remain static as new initiatives are 'operationalized'. Flexibility and refinement are just as important as focus and discipline – but there must be balance – an organization must baseline and move forward with obtainable, incremental phases.

A 'one-size-fits-all', pre-packaged business operations solution adversely affects the success of technology-intensive, process-focused initiatives such as CRM and people-impacting efforts such as operational excellence.

Understanding these inherent limitations and leveraging strengths in ‘operationalizing’ continuous improvement and reengineering programs, a cost-effective, tailored customer contact solution can be achieved.

## **ABOUT IBF MANAGEMENT**

IBF Management is a firm with cross-industry expertise and experience in both the strategic and tactical aspects of service delivery and relationship management. IBF offers a range of consulting, integration and management services for customer-facing organizations. The company’s consultants, on average possessing over 20 years experience, have designed and managed large-scale operations and technology environments – providing first-hand knowledge of ‘lessons learned’ and the ‘continuous improvement’ cycle.

The firm’s front-line experience in building, re-engineering and developing organizations uniquely positions IBF to quickly assess operational environments and customize the methodology to integrate ‘change’ while maintaining the day-to-day mission of the organization.

The foundation of the IBF approach is based on the premise that the client organization must be involved in the initiative. The involvement ranges from providing informational material regarding both formal and informal practices to actual hands-on support in ‘operationalizing’ the corporate strategy, identifying the barriers to success and defining business processes.

The participation by line personnel in the solution demonstrates the commitment to (and the corporate value placed on) ‘people’. In addition, it creates a ‘sense of ownership’ within the rank and file. Solution contributors, when chosen carefully, frequently breed informal leaders who will champion the strategy and process changes within the organization.

The IBF Management approach mitigates the barriers to change and enhances the sustainability of the evolving business – fostering a continuous improvement mindset within a framework for mastering the customer experience.