# Service Provider Call Centers Cutting costs, satisfying customers with technology – and people.

Dave Lowther and Paul Barrett <u>dlowther@LTCinternational.com</u> <u>pbarrett@LTCinternational.com</u>

Ever since direct dialing replaced manual operators, telecom service providers have pursued automation of customer-facing processes. The use of technology in customer call centers can reduce costs, remove barriers to growth and improve customer satisfaction. To be made attractive to customers, automation must be easy to use, not impose a burden. At the same time, areas that are not fully automated need people and processes that work well for customers and make best use of the technology investments.

Customer Call Centers play an important role in all companies that sell products and services to customers. The cost of labor is almost always the highest single call center operating expense, so not surprisingly, much investment has been made in tools, training and new technologies aimed at reducing the number of humans involved in serving customers, and ideally increasing the quality of the customer interaction at the same time.

The earliest and biggest example in the telecom service provider industry was the introduction of automatic call switching. In the beginning, every call was connected by a person, not by a machine. Automation of call connection not only reduced operating costs, it removed an obstacle to growth – today's calling rates simply could not be achieved without automation. At the same time it made the customer experience of making a call both faster and easier.

Automation continues to be a goal of service providers as an important tool in their drive to reduce their cost structure. Simple billing enquiries are now handled as a matter of course through web enquiries or IVR (interactive voice response) systems. Customers are encouraged to report problems electronically, and track progress of their complaint by checking with a system that provides them with status reports, via phone or web site.

Customers can now communicate in multiple ways with call center people and systems. In addition to traditional letters, faxes and phone calls, customers can use email, web forms, web chat, web call-back buttons, and IVR menus. Computer-telephony integration (CTI) means that when a customer actually gets to talk to a representative, the customer relationship management (CRM) system will automatically provide the representative with relevant information on record about that customer, and that information can be passed along with the call to another representative if necessary.

Call analysis software provides the detailed statistics needed to manage resources more effectively. Computer-based training systems, call monitoring and call recording all aim to improve customer service standards and productivity.

Technology developments now available (or in the pipeline) enable service providers to continue the march towards customer self-service. The idea, in the name of productivity

and good service, is to allow (or force) the customer to work the technology directly as much as possible. A human CSR should only be involved where unavoidable.

IVR systems can now respond to real voices, instead of just key presses, and this allows a much richer interaction to take place. This allows a greater range of services to be provided, and may also reduce the tedium for the callers as they are routed to the correct person or automated service.

Web-enabled front end interfaces to operational and business support systems allow those customers (with Internet access) to do more for themselves, faster, and save money for the service providers at the same time. And web-based buttons that either trigger CSR callback or initiate a voice call to a real person, provide a quick and easy safety net for users.

It will become increasingly common for customers to manage bandwidth, service provisioning and fault reporting directly through a web screen. Service providers will provide open (but secure) interfaces to their operational systems so that corporate customers can link their internal management systems directly. SLA management applications can link supplier systems and customer systems to ensure that policies and thresholds defined in service agreements drive automated decisions in both sets of systems.

For many years, companies have set up call centers in locations where the right skills have been available at a competitive price, not necessarily at the company's center of operations. Nationwide and international toll-free phone lines make geographical boundaries less relevant. This has been of considerable benefit to areas that generally have more skilled people than jobs, which is why call centers have proliferated in places such as Iowa, Ireland and India, handling calls originated hundreds, even thousands, of miles away.

Existing network technology also, at a price, allows CSRs to work from home, or in satellite offices while still working as part of a single "virtual" call center.

Voice-over-IP (VoIP) and low-cost high bandwidth network technology will accelerate these trends towards location-independence for call centers and for the people who work in them. In-house VoIP PBX/ACD servers are just the start. VoIP servers – and users – can be located anywhere on the IP network. Ultimately, given a sufficiently ubiquitous, robust and secure IPv6-based Internet, (and a permissive regulatory environment) companies will have the flexibility to rapidly deploy additional CSRs and call center locations almost anywhere.

In a sense, a truly comprehensive VoIP call center solution makes CTI something of an anachronism. When telephony, call management and information applications can all run on the same platform and be accessed from the same edge devices, the challenge of integration is greatly reduced. At least, that's the aim.

For service providers, these developments provide big opportunities to cut costs and improve services. For the companies who develop and supply the enabling technology, that means that they should find willing customers. After all, the telecom service providers who will endure will be those who meet the twin challenges of running a lean low-cost operation, while continuing to provide high levels of service to customers.

However... Telecom service providers are undoubtedly clued in to these technologies, and many of them are early adopters of such innovations. Why do so many customers still have bad experiences in trying to order a DSL line, report a cellphone coverage problem, get to the root of a billing error, or resist the dinner-time calls from long distance service providers?

Here are some real life examples of customer non-service.

- A customer contacts a company to order a new service (DSL typically). The order is accepted. Two weeks later, the company phones to say the service isn't available.
- People are plagued by calls from agents trying to sell local or long-distance service. In some cases, it turns out that the service provider has agreed to pay an agency by the call, not by the sale. The agency therefore has every incentive to irritate customers, especially those who don't want to talk.
- After navigating a multi-level IVR, and waiting an hour to talk, a customer hears an encouraging "click" and then the call drops, so the customer has to start again.
- A CSR accepts a fault report, but does not provide a trouble ticket number to the customer. When the customer phones up later, there is no record of the report, so everything has to start at the beginning again.
- A customer is getting nowhere, and asks to speak to a manager. No managers are available, anywhere.

These are not urban legends. There is a common factor in these tales – fixing these problems is only partly a technology issue. The ACD and support systems can always be improved (what technology can't?) But delivering good call center service and performance depends not simply on the choice of technology but also on decisions made by people. Managers, process designers, systems integrators and CSRs all contribute, either to excellence or to persistent failure.

Let's assume that in due course, the routing and call management technology, the information systems and the integration of all these components can be made near perfect. What then? Will call centers design and run themselves? At the technology level, pretty nearly. But if you buy a state-of-the-art sports car, it won't help you decide whether to drive to the office or take a day off to go to the beach. If you build a state-of-the-art call management environment, the technology won't decide whether customers experience great service or abuse.

When we come across a call center that runs smoothly and productively and satisfies the customers, the chances are it will use recent technology – but not necessarily the very latest. The best call centers are all characterized by carefully designed processes, technology used purposefully to create savings or customer benefit, and carefully selected people who are well-trained for the job.

No matter how much we automate, people will always need people, sometimes. Sometimes giving a customer the opportunity to press a web link or a phone button to talk to someone, is going to be the quickest, most satisfying and the cheapest way to get the task done.

### **Inside Out**



## April 29, 2002

As automation increases, the non-automated tasks need to be handled by smarter people not less smart people. The easy tasks are usually automated first. The tasks that are left are those that require judgment, sensitivity and real expertise.

So, while there is a real market for smart call center technology, there is also a market for the skills and experience needed to understand the impact of those technologies. To derive the best value for money from the call center technology investment, a company needs to re-design processes and organizations, and manage the people in such a way that the net result is a reduction in cost and an increase in customer happiness, not the other way round.

The step change in service provider cost enabled by automated direct dialing is perhaps the most dramatic example of successful call center automation. That development reduced costs, stimulated growth and, on balance, pleased the customers. Today no one expects each call to be connected for them personally by their local operator. People like to press the buttons themselves. To gain widespread acceptance of the next generation of customer self-service tools, the aim must be to make the technology just as obviously useful and easy as direct dialing. And to fill in any gaps that remain with real, helpful people.

## Click here to comment on this article.

Dave Lowther is a Call Center Specialist. Paul Barrett is a Strategic Marketing Specialist.

LTC International understands how technology works and how companies operate. Our Inside Out observations are made from this perspective and are not intended as investment advice. Consult an investment specialist, not us, before investing your money. Talk to us if you want help in making your service provider operation more profitable, or your technology more attractive to service providers.

### **About LTC International**

LTC International is a very special company in the telecommunications industry. Our professionals work with service providers, market investors and industry suppliers to accelerate success and remove uncertainty. We focus on the people, strategies, technologies, processes and systems needed to run successful network and customer operations in telecommunications and information businesses.

For more information about LTC, and for other *Inside Out* articles, please visit our web site <a href="http://www.ltcinternational.com/">http://www.ltcinternational.com/</a>
USA +1 972 234 8997
Europe +44 131 200 6066