



CUSTOMER REACH

VOLUME 2, ISSUE 9

NOVEMBER 2005

Plan, What Plan?

- 90% of executives see Customer Service as crucial to their future business success,
- 70% of senior Customer Service executives said that their company fails to meet their customers' expectations,-Bain Consulting & ICS.

- 92% of customers form their opinions about a company based on their call center experience,- Purdue University.

- 68% will switch brands based on a poor service experience,-Gartner.

- 84% will consider switching brands after two service failures,-Transversal.

- 54% of customers have a lower opinion of a company/brand following a contact with that company's' call center than they had before the interaction.-Transversal.

In most companies the call center is the primary communication channel your organization has with your customers and prospects As you can see from the statistics above most centers are failing dismally at providing the service that their customers are seeking. The question is why...?

Why can we not create a call center environment where our customers can have their needs meet or exceeded? An environment where the call center generates profits, protects margins and satisfies the customers?

The short answer is we can have this. A number of companies do. It often isn't easy to get there from here. There are a number of areas which cause a call center to fail to deliver on its mandate. In this article we address just one; the absence or inaccuracy of a Call Center Strategic plan. A call center strategic plan sets out the reason for the call centers' existence, its role, activities, methodologies, measures as well as costs or contributions.

Most call centers operating today bear very little resemblance to the original call center strategy they were designed and built to fulfill. Many call centers never even have a clear strategy or design plan, they just evolve.

We have all watched, witnessed or heaven forbid even created situations where the answer was "just



give that to the call center”, without any regard for the impact on the business already in place there. Every day, somewhere in the world, someone is heaping a new sales program, marketing campaign, new administrative functions or automated billing system into their call center. In my experience this almost never happens with a review and assessment of the implications related to the call centers functionality, budget or impact on the customers served by the center. Inevitably the center loses focus; the center management becomes distracted by trying to satisfy too many masters. The center operating metrics become confused and useless. Training and agent development fall by the wayside as they try to “do more with less”. Of course this “robbing Peter to pay Paul” approach ultimately fails as evidenced through increased staff turnover, erosion of staff morale, declining customer satisfaction and disappointing revenue numbers.

Each of us must remain focused on the reason our call centers exist...to serve our customers. Every time the center is asked to add a new campaign, function or activity we must assess the impact on doing so on our customers, our most valuable asset. Service, margin, loyalty erosion for a few extra dollars is likely a very poor long term trade off.

So constantly review and revise your overall call center strategy. Take the binder off the shelf, blow away the dust and make it a living document. Use it to vet and assess each and every decision made about your call center.

Let us know what you think of this article or any suggestions you have for future issues by email at

feedback@thetaylorreachgroup.com .



So you want to buy a phone system

Two points of view; lessons for all

Every firm or organization at some point must buy a phone system. In the call center arena this is an infrequent activity for most centers occurring on average about every 6 to 7 years depending on growth and or technology change. Manufacturers and members of their distribution channels, integrators or resellers, deal with phone system purchases weekly. This creates is a large information and experience gap between the two parties. With this dissymmetry it is a challenge to develop a process that is fair, transparent and accounts for the one sided nature of the exchange. Let’s briefly look at the two sides and the interests and their associated motivations to see what can be learned.

Client side

For any client or purchasing organization this is a time consuming process and one destined to live long after the people involved have moved on. It’s singular nature and low frequency of occurrence is fraught with a high perceived risk of errors.

Purchasing departments are excellent resources but not always available and are not always well suited to singular event purchases such as phone systems. Small, medium and even large companies do not always have professional purchasing departments available with expertise to buy phone equipment. While a



purchasing department can help, their assistance is usually limited to the process and what not to do or avoid; they offer little in what to do right and to make it a success. So many managers alone or with a small team venture off to purchase a phone system. What are the steps that should take?

First is developing and establishing the requirements; what does phone system do now? What additional functions or features would we like it to be able to do? Which features are mandatory and which are 'nice to have's'? With this in hand we can then set out to define our requirements in a formal RFP (request for proposal) and developing a list of suitable vendors. Do not underestimate the effort to get the vendors attention. This is not as easy as you might think. Each vendor is doing a risk/effort/reward analysis on the probability of getting the business. Hence is likely to consider whether you or the company is worth any effort if at all. This vendor-side assessment is often further complicated by the vendors own distribution network. Today virtually none of the major telephony vendors sells directly to a purchaser. Instead they rely on a network of integrators to manage the sales and installation process. While this model can work very well and does significantly reduce the manufacturers' costs, it does create the potential for missed communications or ineffective communication as yet another party is now involved in determining if and how to proceed.

Afterwards, once the word gets out there that your company is looking, every officer who has a friend who know someone in the business is likely to get called wanting an introduction to the decision maker; so that the vendors can 1) develop a relationship; 2) better know and understand the needs; 3) influence the decision and or completely sidetrack the process into a soul source project. Yes, vested personal interest is alive and well.

Internally challenges of silos, fiefdoms, departmental rivalries, and personalities seek to circumvent the process to achieve a preconceived outcome for economic, political, personal or business gain.

Vendor Side

For a vendor every RFP is an expensive and time-consuming process. Here it is important to distinguish between an RFP versus "getting a quote". Quotes are usually for commodity type products, a single router, a box of paper, a number of hours of services. "We want this. What is the price?" RFPs' involve more thinking and preparing a solution to a presented problem. This difference involves more; work understanding the requirement; defining the solution; preparing submission documents as requested; editing, vetting, and approving the proposal for submission.

RFP have a high risk of failure. Failure is not winning the business. Contrast this with the fact that if we don't respond we won't get the business. Many in sales rely on who they know to get business and the building of the relationships with customers/prospects. This is the case where if there is a proposal they have an understanding of the players and reality of the proposal. Their judgment of the seriousness of the proposal enables a vendor to know if the opportunity is worth the effort.

Lastly and of particular interest is the 'blind' format RFP. This process eliminates the harassment of senior officers of every friend of a friend who contacts them to try to sell a system. In this approach the identity of the final client is blind because the RFP is issued by a disinterested third-party and all the vendors see is the request and the supplied specifications. No vendor likes this approach. Some manufactures have policies against responding to them. It is from their point of view a crap shoot. Lots of



effort required and a much higher level of risk. From a client or purchasers point of view a blind RFP enables them to distance the organization from much of the up front noise; and allows them to concentrate focus on the two to three finalists.

Recent experience

Recent experience with RFP is interesting to review. Development of the criteria, vetting of the specific requirements and identifying what is mandatory versus just nice to have took about two months. Writing and issuing the RFP with a standardized format so that all vendors were compared using the same methodology took a couple of weeks. Identification of interested vendors and the appropriate contacts took four weeks. Of course a number of these activities took place simultaneously. Even then one third of potential vendors failed to follow-up on this opportunity. Of the fourteen vendors approached only seven submitted proposals. One proposal was immediately eliminated for non compliance with the submission requirements. The remaining six were scored according to a 10 point criteria for technical solution and approach; feature set compliance with the mandatory and nice to have requirements; clarity of proposal. Each vendor was asked to do a proposal review of one hour to clarify approach and confirm criteria scoring. Price and cost were then factored into the criteria to identify the total cost of purchase and ownership. Price while important was not the over-riding criteria. The client required a robust and adequate solution, but did not want the top of the line nor the bargain basement model and price.

The final step was to conduct interviews with selected vendor's reference sites. Four were selected. This was more to confirm the installation and service experience than to review the features of the models or solution proposed. At this stage the two vendors distinguished themselves by providing sites similar in nature and solution to the challenge proposed in the RFP. Not surprising, the reference site contacts said how marvelous the vendors were. They were frank about some of the issues etc that they had along the way and the criteria they had use to make the decision themselves.

The other two vendors also distinguished themselves by poor quality; inappropriateness and or absence of references. This was odd considering the effort and fortune necessary to make it this far in the process. It is something that the sales management and marketing people of those firms need to take note of.

The next step in the process was to invite the last two remaining vendors to come to one of the clients sites to complete a site specific engineering exercise and supporting price proposal. This step was designed to ensure that the pricing and functionality outlined in the RFP responses were real and could be delivered into a specific site at the specified price.

Takeaways and lessons for all

A purchase of one time equipment and services requires a careful measured approach to minimize disruption to the firm and staff. A clear process, known to all, clients and suppliers is essential. Establish requirements, criteria and evaluation methodologies in advance. Have the decision makers sign off on the process and criteria in advance. Communicate with the suppliers or vendors the overall timetable, communication protocol and overall approach. Establish with all company officers that once started this is the way business is conducted. 'Work arounds', special 'relationships' are disruptive and not in the best interest of the company. Where price/cost is a deciding factor, ensure that the price component of the submission is separate from the technical or functional response. Score the functional response to



generate a short list. As said above, in most cases you will not be working with the manufacturer but with the integrator, so visit sites and check references. Then look at the cost, both purchase and lifetime, to develop your final selection or selections.

Clients: Clear, well thought out RFPs' will generate good responses. Take time to prepare the request. Vet it both internally and with people experienced in the process of purchasing what you are requesting. While legal is involved, the request must be clear and concise in order to get submissions that meet the requirements. Possible ask potential vendors for lists or samples of RFP's that they thought were good with similar requirements to your own.

Finally remember to respect all who are involved. This is neither the first, nor the last of the relationships or purchases you or your organization will do. Today's failed vendor is likely to be tomorrow's winner. Let us know what you think of this article or any suggestions you have for future issues by email at

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Newsworthy

In this regular column we review the latest news, predictions and trends impacting on the Customer Interaction Industry.

Nicaragua estimated 4000 new call center jobs in 4 years

While it is a long way off from the call center job creation levels seen in Asia, ProNicaragua estimates that 4000 new call center jobs will be created in that country by 2009. Many of those filling the call center jobs will be English speakers who left the country during the eighties who have moved back home equipped with a good education and English language skills.

TRG

BPO to Grow 10 Percent Annually

The worldwide business process outsourcing market is "vibrant and brimming with opportunity," according to International Data Corp., which predicts the market will top \$640 billion in 2006.

TRG

UK unions accuse AA of call centre electronic surveillance

A dispute has broken out between the Britain's Automobile Association (AA) and unions over claims that the motoring services group is monitoring its call centre staff by using computers to measure their performance.

The AA last week denied newspaper reports that it electronically tags its call centre staff to ensure they



do not take too many breaks. It also rejected claims that its employees only get 82 minutes of free time per shift, to include lunch and refreshment breaks, as well as visits to the toilet.

A spokesman for the AA said: "The actual situation is that an allowance is made for all breaks – refreshment and convenience breaks, staff briefings, training, and so on. However, the union says while it does not accuse the AA of tagging its call centre workers – it said AA staff were subject to "electronic surveillance". Senior union organiser Paul Maloney said: "The union has evidence that the AA presented surveillance data to an employment tribunal last week to justify the dismissal of a former employee who was taking a case for unfair dismissal against the AA.

Callcentres.net

Ask the Experts

The following are actual questions posed to the TRG experts. You can pose your questions on our website.

Question:

I have often heard that we should be posting results in the call center, but I am concerned that this will cause problems to some of the staff. What would you recommend?

Anna K.

Expert Response:

I would agree that Agent posting call center results may very well upset some staff, but this is not necessarily a bad thing. As we have spoken about in numerous articles alignment of our activities to the results we wish to achieve is critical within a call center environment. So who are the Agents that will be happy? The unhappy Agents will be the ones with the poorest performance. They will then have a choice, ask for assistance to improve or do nothing. If they ask for help then they are on the right track to improve their results, if they do nothing, then they are sending you a message of another kind. But we should also look at the impact of this change on our good staff. Seeing their results posted will validate that their effort isn't all for naught. Your better staff will be motivated to become better still.

Remember not posting results motivates no one. Posting results motivates good staff to be better and some of the weaker staff to ask for help, which in turn improves overall center performance and isn't that always the goal?

Let us know what you think of this response. How would you have answered this question? Let us know at

feedback@thetaylorreachgroup.com

Inside TRG

TRG introduces 300% guarantee



TRG backs Consulting Services with a Guarantee of Results

Toronto- Colin Taylor, The Chairman and CEO of The Taylor Reach Group, Inc. today announced that the company is backing its consulting services with a guarantee, "We guarantee that when our customers ask us to implement recommendations we have made, they will realize a 300% Return on Investment in 4 months", said Taylor. In supporting this guarantee Taylor stated "We can make this guarantee because our track record has secured results in excess of this level on each and every engagement we have completed".

TRG supports development of call center User Group

Over the past few months we have been working with a client who has a large number of call centers providing customer service to their clients. These centers have historically operated independently and focused on their local region or market. The client saw the potential benefit of bringing the managers of these centers together and sharing best practices. This month marked the first User Group conference and it was attended by call center managers from every region. More than 14 people met for two days shared challenges, TRG attended the meetings and conducted workshops and seminars around topics such as forecasting, staff budgeting, skills & competencies, telephony, agent training to name a few. Each attendee left with tangible and actionable ideas that they could implement in their center immediately.



Case Study

In this regular column we review the successes that TRG is part of.

Assisted a Major Retailer revise its operating processes and procedures and identified almost \$1 million dollars in operational efficiencies.

The Challenge:

A national retailer specializing in Consumer Electronics operating numerous contact centers was constantly striving to improve the efficiency and effectiveness of their operation. The challenge to Colin Taylor and his team was to improve the efficiency of the process without sacrificing the quality of service or satisfaction of the customers who called the center.

The Process:

Colin and his team of consultants began by examining the transactions and transaction types processed within the center. The engagement assessed the people in the call centers, their skills and competencies, the processes, procedures, operational methodologies, technology application, quality and service practices and business objectives.

The Solution:

The client employed processes and procedure that had been proven effective for many years. By examining the work flow and process flow in detail the consultants identified processes and process elements/steps that were not aligned with the contact center objectives.



By vetting and re-engineering the process maps, procedures and operational methodology we ensured that the objectives of the organization could be met. New processes were recommended that streamlined the process and reduced the points of failure substantially.

The Result:

The retailer reduced its AHT by more than two minutes per call and improved its customer satisfaction. The re-engineering process improvement and the associated reduction in AHT combined to total just less than \$1,000,000 in annual operational cost savings!

The Taylor Reach Group, Inc. provides Strategic and Operational customer interaction consulting services that deliver Operational Innovation breakthroughs in Contact Center operations.

Award winning service and more than 100 years of industry experience serving 'Fortune 1000' companies. Extensive North American and International experience with both captive (in-house) and outsource centers.

Delivering Operational Innovation to your Contact Center

Contact Center Consulting, Customer Satisfaction, Contact Center Technology, Privacy, Supply Chain and General Management consulting services provided.

Award winning service...Reach Beyond!

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