

# Aligning Business Processes to Transform Customer Service

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innovation for your business

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- II. The Evolution of Customer Service Organizations**
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## Thesis Statements.

1



**To exploit the full potential of customer service, companies have to solve key business issues**

2



**The biggest leverage effect can be achieved by transferring the contact center concept to the rest of the organization**

3



**Facing simultaneous cost, quality and revenue pressure, companies have to choose prudently between different customer service design options**

4



**Successfully transferring the contact center concept corporation-wide requires top management attention and direction**

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**II. The Evolution of Customer Service Organizations**

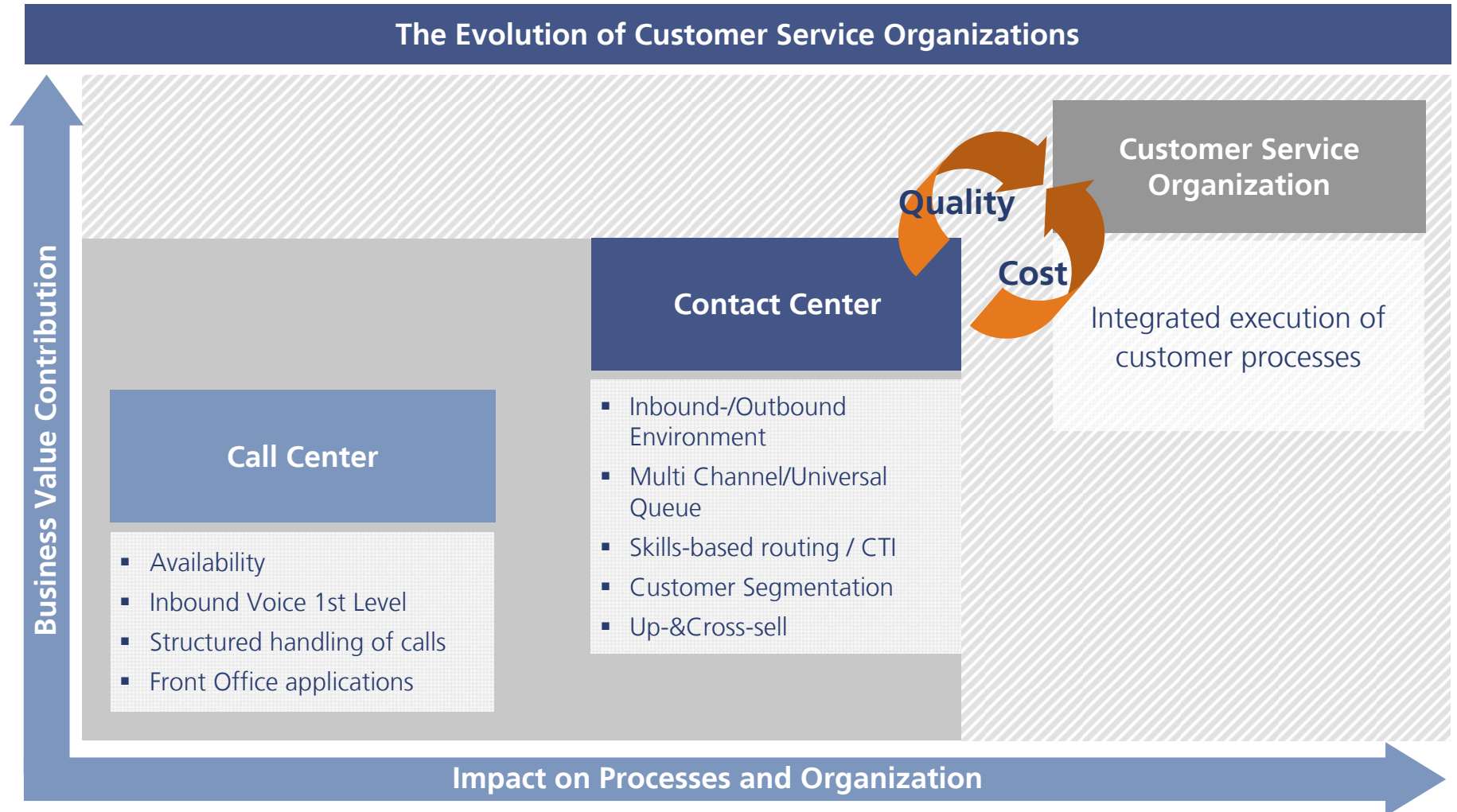
**III. Business Pain Points**

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**V. Recommendations**

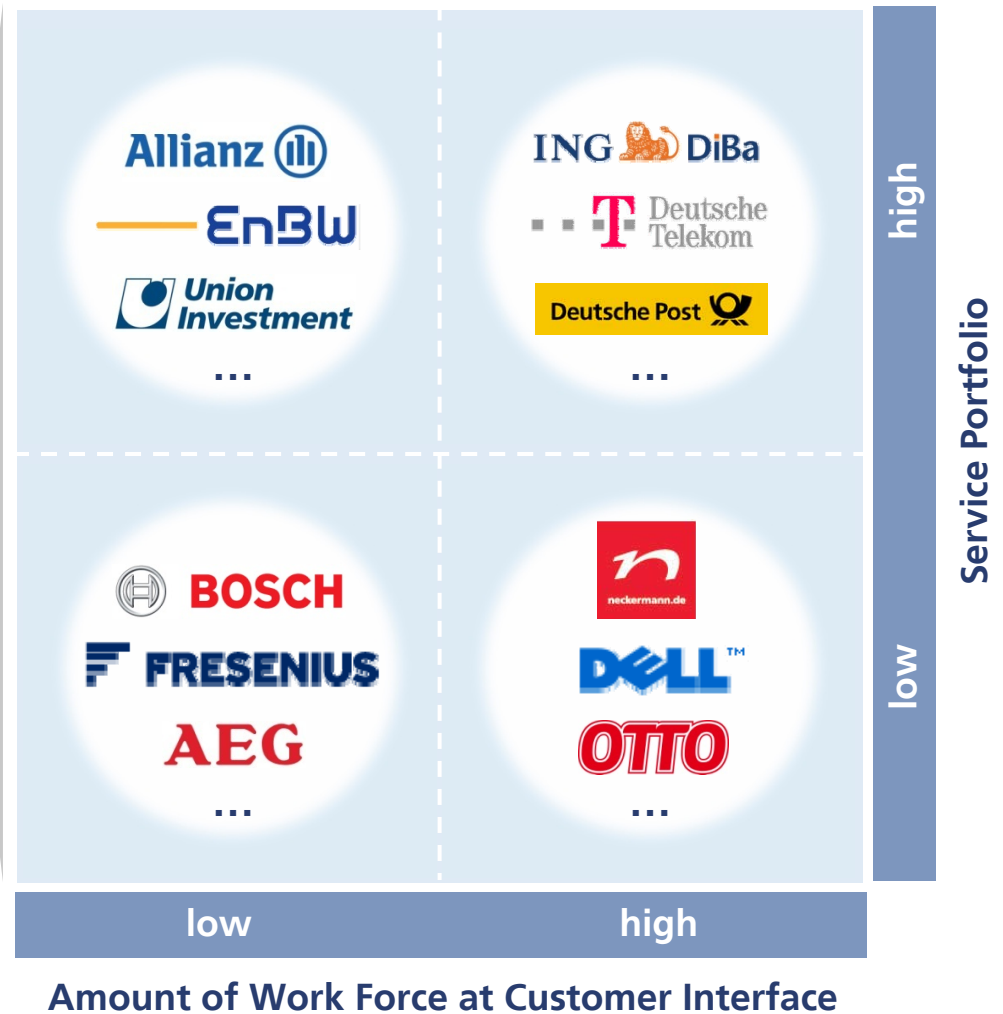
**VI. Contact**

# Call Centers have evolved into professional Contact Centers.



► Main drivers for the next „evolutionary“ step will be quality & revenue pressure.

Between 5 – 10% of the workforce are directly or indirectly involved with the customer interface.



► The challenge: the level of efficiency and consistency of customer processes in the back office is still far behind the contact center.

Quelle Foto: www.sxc.hu

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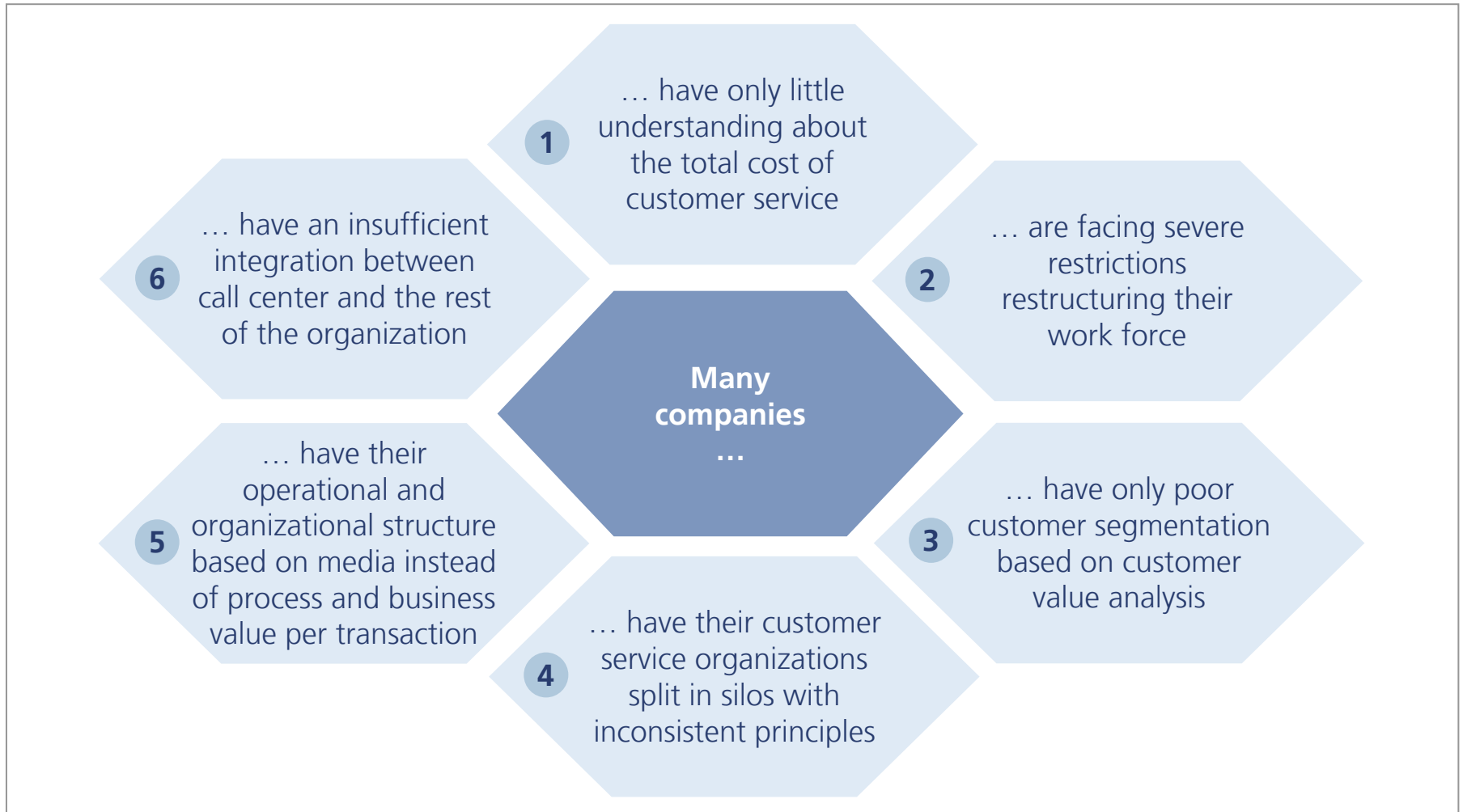
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## To realize potential you have to solve principal business issues.



► There are many implications for these issues.

1

**Many companies have only little understanding about the total cost of customer service**

### Characteristics

- Powerful reporting capabilities regarding historical and real-time performance of contact center
- Weak / no information about back office processes and performance
- Weak / no information about process cost behind the Front Office
- Back Office as ‚black box‘
- Inconsistent performance measurement

### Implications

- You can't manage what you don't measure
- Lack of knowledge about budgeting, cost calculations and specific KPIs, especially in contact center (inhouse)
- Financial „blind flight“

2

Many companies are facing severe restrictions restructuring their work force

### Characteristics

- Mismatch between existing and required job skills (professional & personal)
- Restrictive limitations on termination of employment
- Contact Center as a career dead-end

### Implications

- Low capitalization of efficiency improvements
- Expensive personnel development pro-grams with low ROI
- Growing quality problems in all stages of service
- Highly skilled & paid resources handling simple tasks

3

### Many companies have only poor customer segmentation based on customer value analysis

#### Characteristics

- No customer segmentation based on customer analysis (profitability analysis & analysis of customer potential)
- Huge investment in CRM with little impact on customer care („which service for which customer for which request at which cost?“)
- Low service customizing capabilities
- Segmentation only performed in the contact center – if at all

#### Implications

- Customers are all treated the same
- No service differentiation based on customer value
- Low usage of service as differentiator
- Back offices never get to see „the customer“

4

**Many companies have their customer service organizations split in silos with inconsistent principles**

### Characteristics

- Incomplete transparency
- No consistent control or work handling principles
- Decoupled organization
- Optimized silos often not aligned with corporate objectives
- Lack of central process and work distribution principles
- A zoo of applications for process management and work distribution

### Implications

- No leveraging of resources
- No organizational flexibility
- Customer perception of the company isn't controlled
- Throwing resources at problems within silos

5

**Many companies have their operational and organizational structure based on media instead of process and business value per transaction**

### Characteristics

- Organization is set-up based on media
- FIFO sorted backlogs lack intelligent backlog management based on business value
- No channel integration towards a comprehensive management system
- Conflict of interest between different departments („customer belongs to me“)

### Implications

- No process, no customer segment and no business value driven organization
- High value tasks stay ‚forever‘ in the queue, companies loose money
- No workload balancing due to the lack of integration of synchronous and asynchronous media

6

**Many companies have an insufficient integration between contact center and the rest of the organization**

### Characteristics

- Customer orientation ends in contact center
- Size of organization, complexity of processes and involvement of Third party
- No comprehensive business process modeling & inadequate operational and organizational structure
- Poor availability of experts for assessing and deliberation processes
- Forwarding to back office not SLA controlled
- Manual processing

### Implications

- Massive business interface problems and media breaks
- High process lead times
- Service quality problems
- Excellent contact center SLAs in contrast to ,unknown-SLAs' in rest of organization
- Customer promises at the front-door can not be kept

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## The main target:

realize contact center levels of efficiency and consistency of customer processes in the back office.

### Superordinate Measures

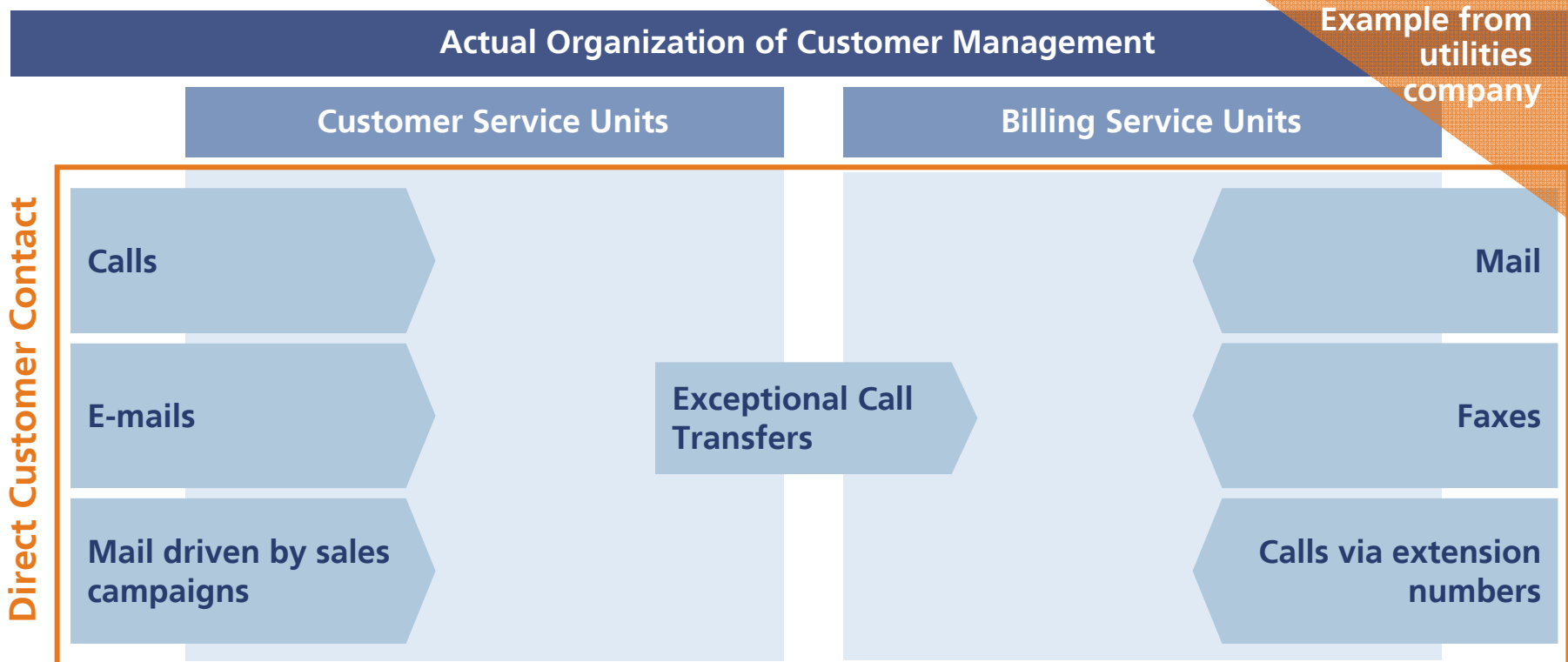
- Develop and implement a comprehensive integrated Business Process Design
- Break up Silos / "customer-belongs-to-me"-attitude
- Adjust the operational and organizational structure based on integrated Business Processes
- Implement a standardized layer to distribute Business Transactions based on Business Value, Activity, Priority, Availability and Skill in real-time

### Intended Results

- Dynamic Workload Balancing
- Value based Resource Management
- Value based SLA Management
- Transparent and consistent company-wide KPI
- Organizational Flexibility
- Efficiency Improvement of the most important, but also the most expensive Resource "Work Force"

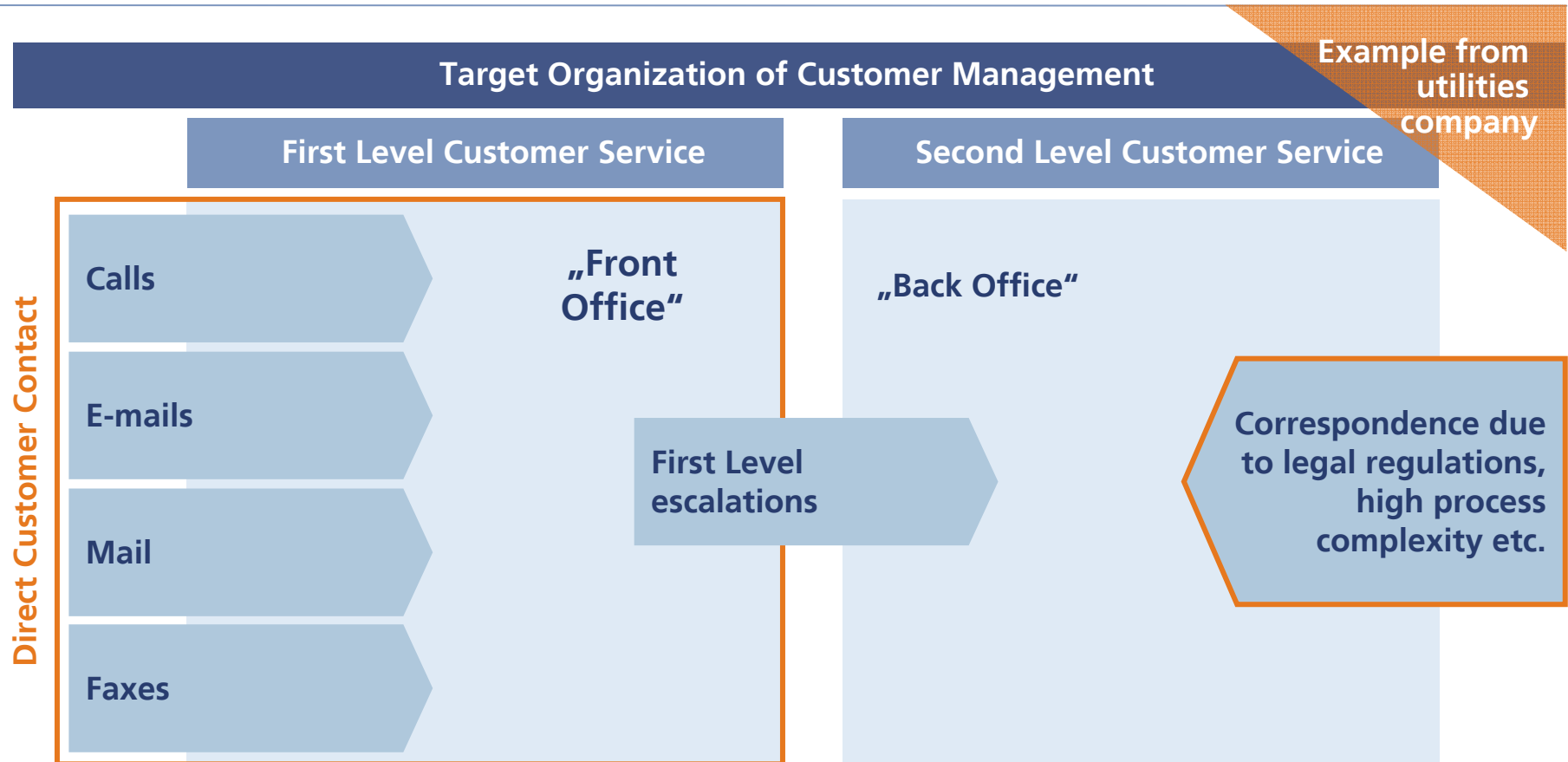
► The following case represents a practical example for aligning business processes.

Starting point: the handling of inbound communication in two separate organizational units has hindered consistent customer service.



- ▶ The bundling of communication channels in one organizational unit is requisite for gaining more efficiency and quality in customer contact management.

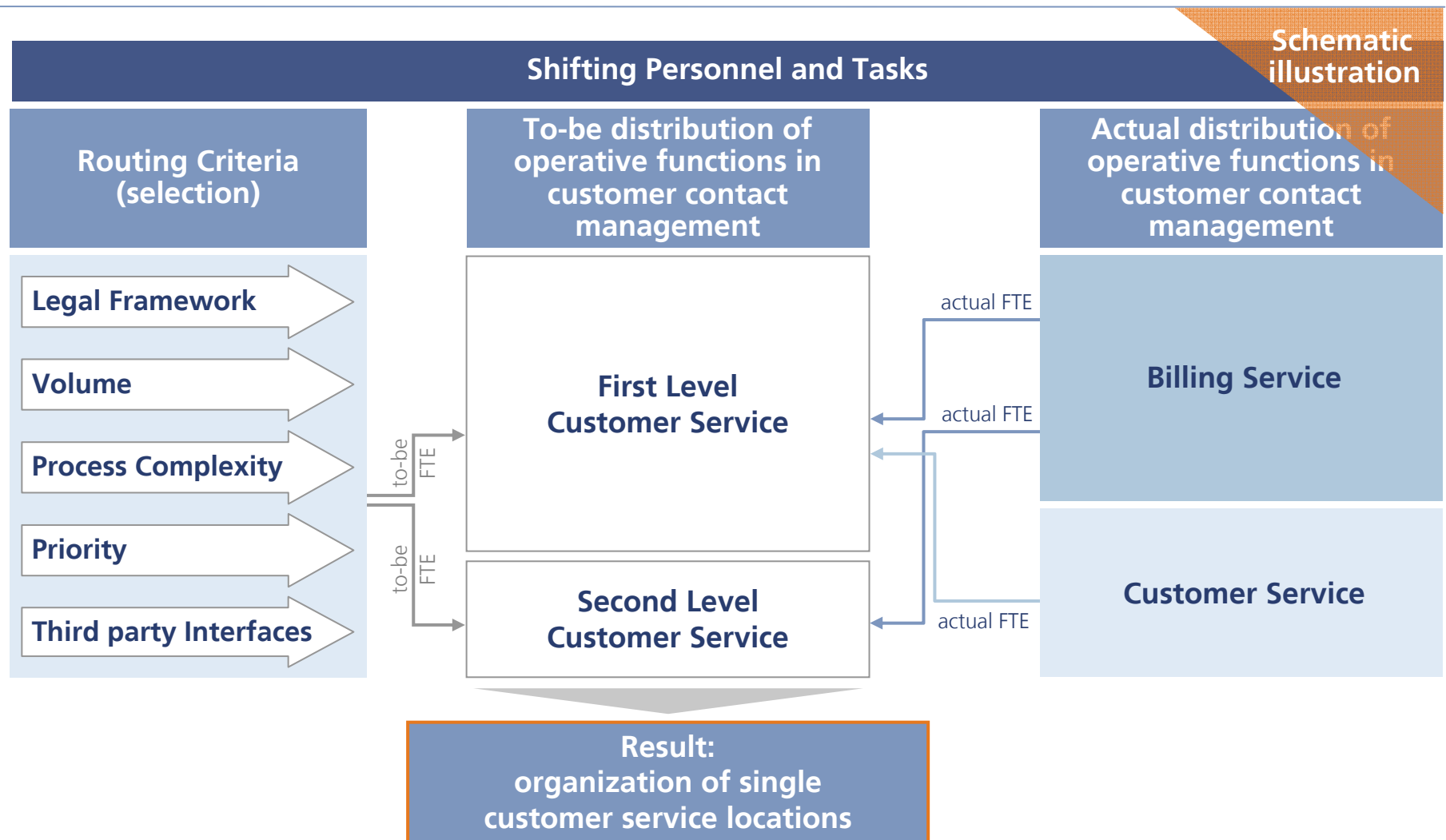
An integrated front office as the central entry point for all customer needs resolves the separation of inbound communication channels.



Example from utilities company

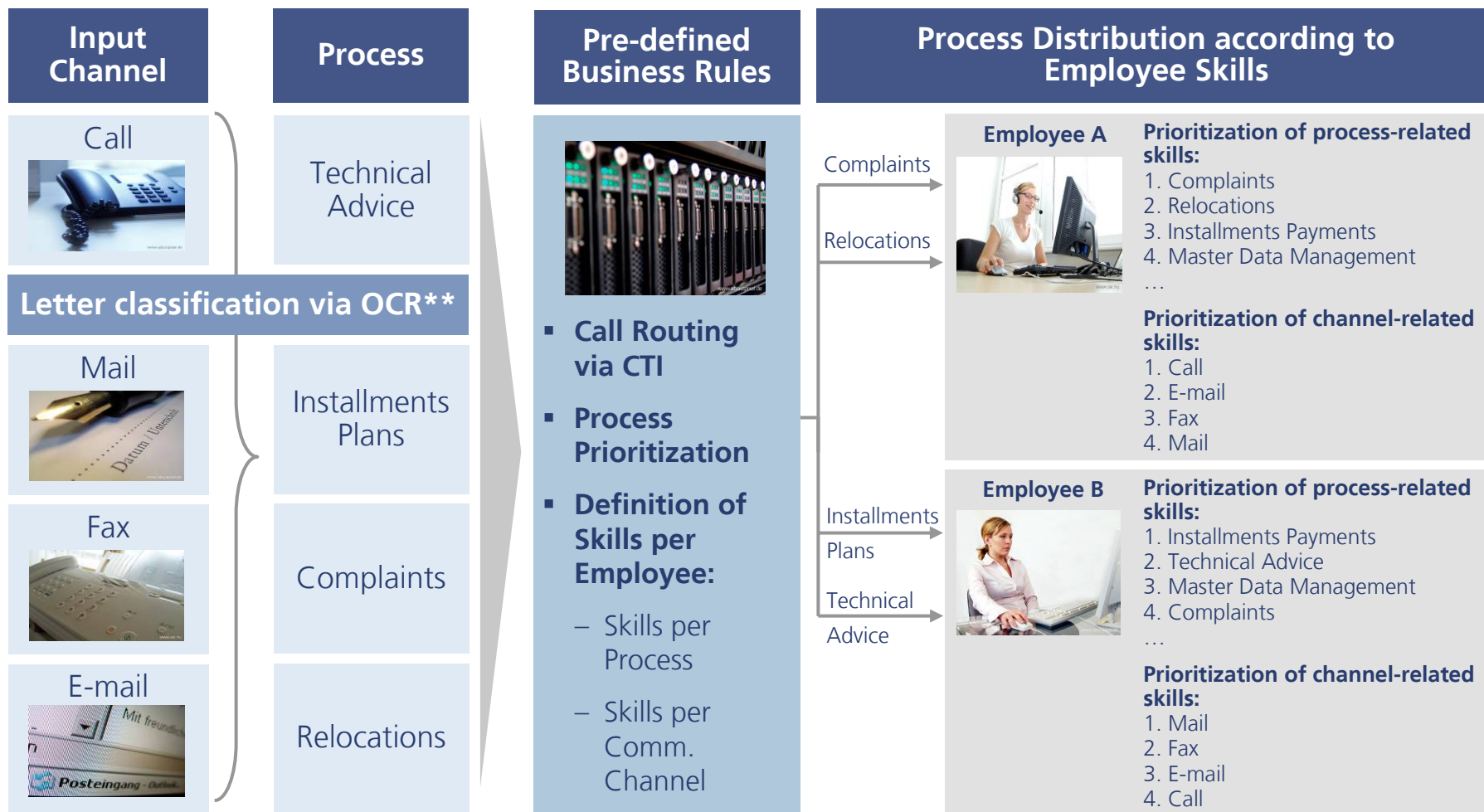
- ▶ Incoming customer contacts need to be classified and distributed to the corresponding Front or Back Office units.

The routing customer-driven business processes requires a set of routing criteria.



- ▶ Employees are re-allocated into a larger First Level organization and a smaller but specialized Second Level unit – based upon a strict process distribution logic.

Based on well-defined business rules\* the different processes need to be routed to adequately-skilled employees.



► Depending on different types of business transactions, pre-defined business rules and work load back office capacities are integrated in the customer front door.

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Facing simultaneous cost, quality & revenue pressure, companies have to choose prudently between different customer service design options.

Design Options			
Inhouse vs. Outsourcing	Integration Level	Implications	Impact
<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #4a7ebb; color: white; padding: 10px; transform: rotate(-45deg); transform-origin: center;">BPO Partnership</div> <div style="margin-left: 20px;"> <p style="color: white; font-weight: bold; font-size: 1.2em;">Inhouse</p> <p style="color: white; font-weight: bold; font-size: 1.2em;">Outsourcing</p> </div> </div>	<ul style="list-style-type: none"> <li>Separated Units</li> <li>Siloed Operations</li> </ul>	<ul style="list-style-type: none"> <li>Very Limited Improvement Possibilities (only within Silos)</li> <li>Overall Cost &amp; Quality Problems</li> <li>Cost Center Discussion</li> </ul>	
	<ul style="list-style-type: none"> <li>Integrated First Level</li> <li>Separated Second Level („rest of organization“)</li> </ul>	<ul style="list-style-type: none"> <li>Integrated Front Office as the central Customer Entry Point</li> <li>Interface &amp; Quality Mgmt. between Front Office and the Rest of Organization</li> </ul>	
	<ul style="list-style-type: none"> <li>Integrated Customer Service across the Firm (1st &amp; 2nd Level)</li> <li>Split between simple &amp; and complex tasks</li> </ul>	<ul style="list-style-type: none"> <li>Distribution of Transactions based on Business Value, Activity, Priority, Availability and Skill in Real-Time</li> </ul>	
	<ul style="list-style-type: none"> <li>Integrated Customer Service incl. Third Party (1st &amp; 2nd Level plus business partners)</li> </ul>	<ul style="list-style-type: none"> <li>Distribution of Transactions based on Business Value, Activity, Priority, Availability and Skill in Real-Time</li> <li>Rightsizing/-sourcing</li> </ul>	

## Transferring the Contact Center concept corporation-wide implies ...

... that you establish a clear vision of what integrated customer service will look like

... that you develop an overall concept for the integration of the front office and the rest of the organization

... that contact center management shares their experience with senior management

- ▶ ... and most importantly requires top management attention and direction. The problem is less about finding an appropriate strategy but more about implementing it!

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