



Why Great Isn't Good Enough

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Executive Summary

Superior customer experience used to be a differentiator for companies like Amazon, Apple, and Zappos. But like any successful model, others are catching on. So how can a company that already stands out in delivering customer experience excellence stay ahead of the competition? Sometimes it's just a question of looking in the mirror.

Customer experience excellence is a continuous endeavor, always evolving. And instead of resting on today's laurels, a truly customer-focused firm keeps its sights set on tomorrow, searching for ways to improve the customer experience and leave competitors by the wayside, adding higher financial returns in the process.

TeleTech's portfolio of customer-focused design, enablement, and management resources helped one financial services company on its way from providing great customer service to an exceptional customer experience.

At a Glance

- Details of one financial services company's long-term customer experience strategy development
- Benefits of an integrated strategy centered on the customer experience
- Best practice advice to help propel companies into the upper echelon of customer experience success



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From a Great Customer Experience to an Exceptional One

A customer-centric business is one that is poised for success over the long term. Building a culture to act in customers' best interests is a smart strategy for companies that can manage it successfully.

So what does a company do when it already has a strong customer-centric business model? TeleTech, along with its eLoyalty and Peppers & Rogers Group brands, recently helped one such company on its mission to stay ahead of the competition. The firm enjoys top marks for customer satisfaction, retention, loyalty, and Net Promoter Score, both inside and outside of its industry. Maintaining customer experience superiority requires a commitment to constantly evolve and adapt to customer needs.

When an organization already has a well-managed customer experience strategy and program, it can be a great platform on which to build to get to the next level. This was the situation faced recently by a U.S. financial services company. The company, which offers consumer banking, insurance, and investment services, is already a strong customer-centric business. Employees and operations at every level of the company are aligned around the customer. It has a solid reputation for putting customers first, with numerous awards and accolades to back up its assertion.

Even with its strong market position, however, resting on its laurels was not an option. The firm wanted to stay ahead of the competition by creating a long-term customer experience roadmap.

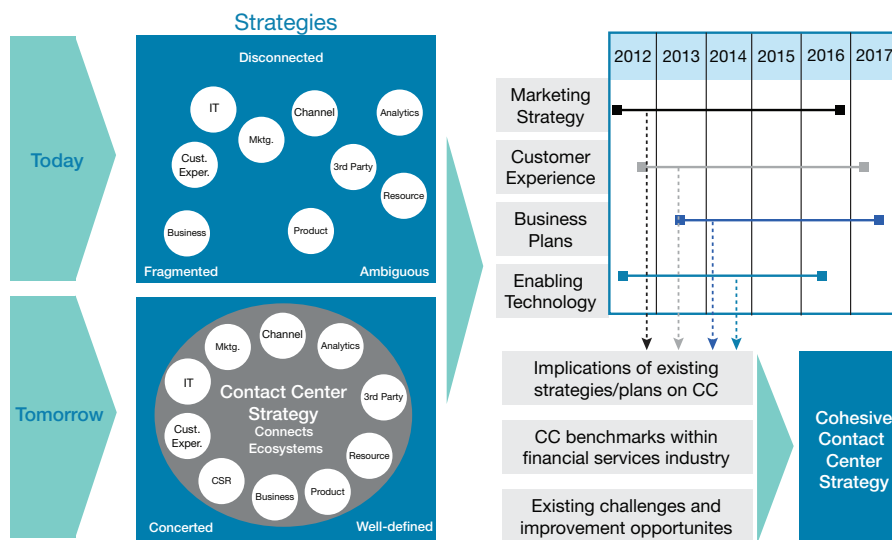
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The Work: A Five-Year Commitment to Improving the Customer Experience

In early 2012, the company enlisted TeleTech to help build a cohesive and integrated five-year strategy and implementation roadmap for its contact center. The company had recently consolidated multiple contact centers into one to allow it to better coordinate the customer experience. Management found that although all contact centers were now under one management and structure, there were still disconnected pieces. But its commitment to customers remained strong.

Figure 1: The road to customer experience excellence

The company wanted to integrate the disparate processes currently in place into one cohesive strategy through a five-year plan.



Source: Peppers & Rogers Group

TeleTech worked with the company to devise a clear strategy for the integrated contact center that would effectively align the company's long-term goals and priorities. The vision is for the company to be seen as a trusted advisor by its customers by understanding them, anticipating their needs, and being there for them when they need it most. While this particular company had already established a customer-centric culture, it felt that changes to the core organization and processes were needed to enable all parts of the organization to better function in this way.

The strategy project was conducted in four phases. The team started with a review of the company's current contact center operations, followed by a data analysis to find inefficiencies and areas for improvement. The project team then developed options for the target state model contact center strategy. Finally, a detailed five-year roadmap was created, which prioritized how best to achieve the company's customer-centric goals.

Phase 1: Review

The project kicked off with a review phase in which TeleTech and the client project team identified the departments and stakeholders believed to be the most instrumental to the contact center function.

The reviews uncovered the idea for a tiered customer experience system within the contact center. The first tier that would act as the initial interaction with the customer, providing a high touch experience for new customers or existing customers based on life stage or integrated solutions offerings. The second tier would manage simple requests from customers, such as establishing checking and savings accounts. The final tier would focus on specialized services where representatives could deep dive into specific product lines to address complex needs and provide guidance for the best solutions. When put together, the model emphasized the groups working together to provide the most customized and best service for each customer's needs.

Phase 2: Analysis

Following the review sessions with stakeholders, the team collected data for analyses to enable areas of improvements in the contact center. The analysis yielded opportunities for improvement in a number of areas.

Channel usage. While the customer representatives were a heavily used resource by customers, the team found a big opportunity in digital service channels, especially mobile. Because digital channels are less costly than customer representatives, this was a true win-win for the company because it will allow it to truly serve customers in the way they prefer while increasing efficiency.

Call metrics. The team evaluated the operational KPIs used to measure the calls coming into the contact center. These included evaluating the number and type of inbound versus outbound calls, call handle metrics including handle time and other relevant. This evaluation was used to identify the call and transaction types that could shift to self-service channels while maintaining customer experience and satisfaction.

Agent performance metrics. The team found that the contact center had higher than average handle times but also higher than average satisfaction with representatives. While this revealed an opportunity for improvement, it also validated its customer-centric culture.

Customer satisfaction data analysis. Customer service data revealed that while customers were very satisfied with the CSR experience, other channels did not have the same scores. Self-service channels such as the IVR and digital channels had lower scores, which revealed a gap that needed to be addressed before implementing further channel strategy.

Cost analysis. The team found that some operational costs in higher than industry averages and could be trimmed with some strategic direction and careful planning.

The vision is for the company to be seen as a trusted advisor by its customers by understanding them, anticipating their needs, and being there when they need it most.

Phase 3: Strategy

After review and analysis, the team began to develop the strategy and future state of the contact center that would align to the organization's core mission and values.

The team gathered input from executives via a questionnaire to get a better understanding of strategic priorities surrounding the contact center. It found that there were many topics that management was not aligned on yet were part of current operations. For example, when we asked stakeholders whether increasing outbound sales should be a strategy focus, we received a wide range of answers even though we had already seen that this was a growing priority in management agendas. Other topics seemed to have unanimous support but were not being applied in the field, including leveraging CSR feedback in decision management and contact center initiatives.

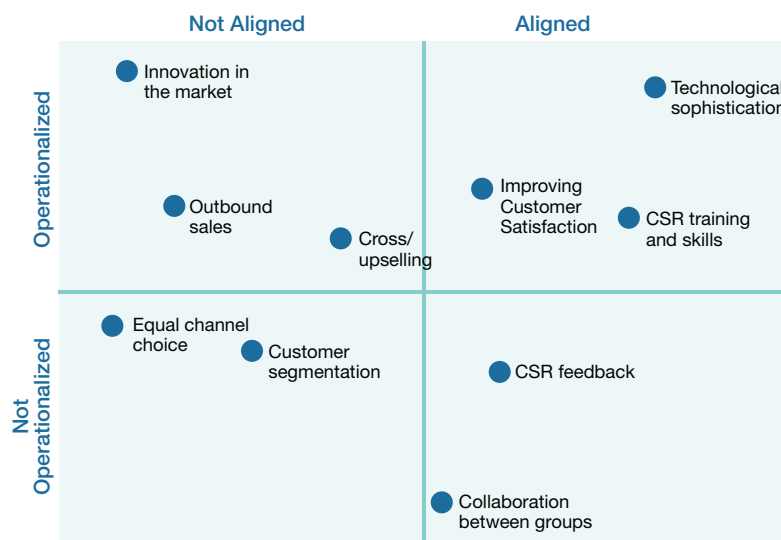
These inconsistencies showed a significant gap between what management believed was best for the company and what was actually put into practice. The team recommended that management align its thinking and priorities around contact center strategy.

The team devised a "Segment/Event-Driven Model" for its future contact center. The company aims to be a fully customer-centric organization and this future state model would ensure that the contact center was organized in a way that would enable it to provide a better experience for customers based on their specific needs. All activities are informed by customer data and segmentation information. It focuses on cross-channel customer data visibility and advanced predictive modeling. Because this model is so heavily dependent on customer information, it would be necessary to ensure the right information is collected about customers across channels, analyzed in the most valuable ways, and properly disseminated to the relevant parties around the contact center. It requires a redesign of employee dashboards, self-service modifications and further channel integration based on customer segments.

The contact center's "Segment/Event-Driven Model" focuses on cross-channel customer data visibility and advanced predictive modeling.

Figure 2: Current gap analysis

The team mapped attributes of the contact center's operations into quadrants based on cross-functional alignment and how well the initiatives are incorporated into daily activities. The quadrants help identify gaps and prioritize next steps.



Source: Peppers & Rogers Group

Starting From the Top

In the case of our financial services client, the goal was to create a long-term customer experience plan based on its strong customer legacy. The company already had a strong foundation on which to grow. That is not always the case. No matter how advanced a company's customer focus, there are a few key elements that all companies can build on to propel themselves into the upper echelon of customer experience success:

1. Leverage customer insight. Building an exceptional customer experience starts with knowing the customer. This means that not only should a company collect relevant and important information about its customers, but it should also regularly use these insights in all areas of the organization to inform all customer interactions. Many companies have the technology to track behavioral and demographic information about their customers, but not all leverage this information effectively. Understanding customer preferences, needs, and behaviors, then using this information to inform all decisions and customer interactions is the first step to improving customer experience. It should be the basis of any customer experience strategy.

These four factors combine culture, data, operations, and measurement to create a solid customer foundation.

2. Start, then continue the conversation. A big advantage of tracking and leveraging customer insights is the ability to develop an uninterrupted experience for customers across all channels. A major factor that determines whether a customer has a good or bad experience is the efficiency with which their interactions are handled.

Like on a job interview or a date, the customer's first impression of you is very important. A strategic and aligned on-boarding program starts a conversation and welcomes the customer into the community. Once there, a cross-channel strategy is key.

Today, customers do not just call the contact center for every need or query. They have a wide array of channel options -- from mobile to web chat to IVR self service. In many cases, a customer may use more than one of these channels to start, complete, and inquire about any transaction or issue. This requires companies to be able to track the customer's information and behavior so the conversation can be picked up where the customer left off in any other channel, essentially "continuing the conversation."

As we consumers know, it is extremely frustrating to have to repeat information. This makes for a very poor customer experience, but can be overcome by improving data through all channels to form a seamless conversation and flow of information.

3. Enhance customer-centric culture. The corporate culture that is created and fostered in an organization is a crucial piece of the puzzle when optimizing customer experience. The internal culture of an organization will set the tone for what is important and form a truly great customer experience. A company should ensure that employees are aware of the importance of being customer minded and focused on this goal.

Creating aware employees who understand the objective of providing the best experience for a customer is a critical step for delivering an exceptional customer experience. This is especially true of front-line employees that are in contact with the customer every day and essentially represent the brand and company. Leaders at customer-facing functions

should focus on cultivating a culture in which employees recognize the importance of providing the best possible experience at every single customer interaction.

4. Build customer-centric business operations. A company can have a culture that is focused on providing the best for its customers' needs. However, this will not considerably improve the customer experience if the internal operations of a business are not customer-focused as well. To make the most of a customer-minded culture, a business must change and transform its processes, performance assessments, employee reward programs, and even organization to reflect the priority of building an exceptional customer experience.

In addition, if there are messages throughout the organization that encourage customer centricity but employees are not evaluated or recognized in the same way, it makes for a confusing and frustrating employee experience, which directly impacts customers.

Management must not measure performance in a product-centric way. Employees should be assessed on their ability to influence the customer experience and build relationships, not sell products. Likewise, performance assessments across the organization must be customer-centric and focused on the ideal experience.

Phase 4: Roadmap

After the selection of a target state and strategy to align all the groups around the contact center, the team created a five-year roadmap to identify the key initiatives needed to reach the desired target state.

The first step in building the roadmap was to identify which projects needed to be on the five-year plan to achieve the company’s customer-centric vision. The team created nine categories of initiatives necessary for realizing the strategy. The first and most important initiative was segmentation. While the company already had a fairly robust segmentation scheme, there were still pieces missing that required reevaluation.

Once the initiatives and categories were determined, the team prioritized and sequenced all projects on a timeline. This process allowed the roadmap to represent a truly complete and actionable view of the next five years for the contact center.

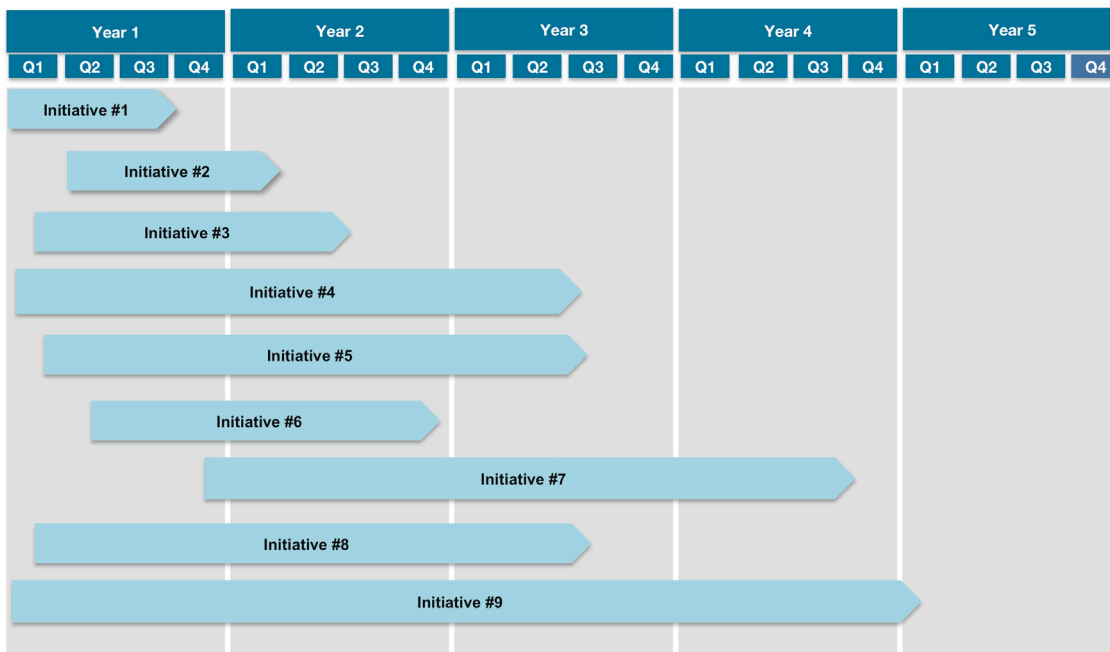
Following the creation of the timeline, the team created detailed project plans and guidelines for the execution of each specific initiative. These included project owners, KPIs to track and measure, critical success factors, anticipated benefits to the client and its customers, key activities, deliverables and any possible risks. The costs of implementing the work streams over the five-year timeline were also determined with the client’s input to allow for proper investment allocation and budgeting among initiatives.

The final roadmap achieved all the goals set out by the client including connecting disconnected strategies within the contact center, enabling the contact center to handle future customer growth, and especially balancing bottom-line growth with relationship-building and an optimized customer experience.

Client goals include balancing bottom-line growth with relationship-building and an optimized customer experience.

Figure 3: Implementation Roadmap

The five-year plan included short- and long-term projects, sequenced in an implementation roadmap.



Source: Peppers & Rogers Group

Customer Experience Quick Wins

The team outlined a number of quick wins that could be used to build momentum around the larger, long-term customer experience. They include:

- **New customer task force.** An optimized acquisition task force will be created to oversee the design and deployment of integrated strategies for acquiring and on-boarding new customers. This aligned, cross-disciplinary leadership team will allow the company to expedite new customer sales efforts quickly and efficiently.
 - **Educate customers about self-service.** During its analysis, the team found that many customers were not fully aware of the self-service options available to them for regular transactions. It recommended the development of an education program to improve customer awareness and education of self-servicing options.
- This program would help lower the cost to serve while maintaining customer satisfaction through increasingly preferred channels such as mobile.
- **Contact center best practice study.** The team recommended a program that would be focused solely on best practice research and assessment of the contact center and its performance. Evaluating current contact center processes and procedures and comparing them with industry best practices will reveal areas in which the contact center is exceeding industry best practices and opportunities where management should focus on developing efficiency.

Next Steps to Customer Experience Excellence

With the roadmap and contact center strategy agreed upon, it's now up to the company to take the strategy through to implementation. TeleTech and eLoyalty continue to assist the company in combining strategy with execution. Future plans include implementation and enhancing the IT organization to provide a technology platform to support the newly defined customer experience strategy over the next five years.

Best Practices to Stay on Top

This particular company has a strong customer-focused culture and alignment in maintain momentum around its customer experience improvements. Not all companies are so lucky, however. Many companies share common struggles when it comes to customer initiatives.

To avoid focusing on tactics that are disconnected, use up extra cost and resources, and fail to improve the customer experience, the following steps should be taken by company leaders to form a cohesive and effective strategy that will improve the entire customer experience across the organization.

Assess your current strategies and gaps in your customer experience. To create an exceptional customer experience, a company must start by understanding its ongoing operations and strategies. Similar to the client discussed here, a company might find that there are major gaps and disconnects between priorities and goals across the enterprise. Understanding how well the experience delivered to customers is today will help determine how far the company needs to go.

Determine the future vision and align the organization. Management needs to determine the vision that they see as their future target state. Start regular strategic dialogue with the appropriate leaders and align them behind a vision that stands for what the company would like to achieve.

Determine key elements of the strategy. Customer experience leaders must determine the needs of customers and how they align to the company offerings. In addition, what are the channel and customers that deliver the most value for the organization, and which activities and interactions will be most effective?

Understanding how well the experience is delivered to customers today will help determine how far the company needs to go.

Prioritize building on this strategy and vision. One of the most important considerations when thinking about building a strategy and five-year timeline is being persistent and consistent in pursuing it. Many times, a company will do the initial work of determining a vision but this will not be followed up over the course of the following years. To be successful in reaching the target state, it is imperative that leaders make following their identified vision and strategy and putting the necessary resources and investment behind this a priority in their agenda.

Conclusion

Companies that lead the pack in customer centricity should be very proud of their achievements. Customer focus is easy to talk about but difficult to do. Those with high Net Promoter, customer satisfaction, and other scores work hard and deserve their success. But in this hyper-competitive marketplace, staying on top can be just as difficult as getting there.

Our client's experience illustrates that it takes a strong commitment to continuous improvement and evolution to meet changing customer needs. A mix of strategy, execution, and technology all designed with the customer in mind is what it takes to go from delivering a great customer experience to an exceptional one. ■

About TeleTech

For nearly 30 years, TeleTech and its subsidiaries have helped the world's most successful companies design, enable, manage, and grow customer value through the delivery of superior customer experiences across the customer lifecycle. As the go-to partner for the Global 1000, the TeleTech group of companies delivers technology-enabled solutions that maximize revenue, transform customer experiences and optimize business processes. From strategic consulting to operational execution, our more than 40,000 employees drive success for clients in the communications and media, financial services, government, healthcare, technology, transportation and retail industries.

For additional information, please visit <http://www.teletech.com>.

About eLoyalty

eLoyalty LLC, a wholly-owned subsidiary of TeleTech Holdings, Inc., is recognized industry-wide for 20 years of technical expertise in transforming customer management environments for a wide variety of multinational clients. eLoyalty has unparalleled experience and qualifications with managed on-premise multichannel contact center solutions, as well as virtual store and branch integration. Enterprises that require advanced voice and data technologies integrated with customer-focused business design turn to eLoyalty for consulting services, systems integration, application development, monitoring, and managed services. Drawing on relationships with industry leaders like Cisco Systems, eLoyalty blends their services with industry-leading hardware and software applications to deliver best-in-class solutions.

For more information, visit www.loyalty.com

About Peppers & Rogers Group

Peppers & Rogers Group is a management consulting firm, recognized as the world's leading authority and acknowledged thought leader on customer-based strategies and underlying business initiatives. Founded in 1993 by Don Peppers and Martha Rogers, Ph.D., Peppers & Rogers Group invented the term 1to1[®] marketing to illustrate the importance of treating different customers differently, and transformed the concepts into practical methodologies driving financial results for companies.

For more information, visit www.peppersandrogersgroup.com