

A Business White Paper

The Dynamic Contact Center

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Introduction



Can today's contact center simultaneously achieve cost, quality and revenue goals?

The contact center is entering the next stage of its evolution. Contact centers began their existence as basic service organizations focused on controlling costs. Over time, “customer service” became the new imperative for the contact center. Today, businesses realize that the contact center is in a unique position to serve as the gateway to customer interactions, and, as a result, companies expect their contact centers to generate revenue.

The demand that contact centers control costs, deliver quality and meet revenue goals is pushing the existing operations model to the breaking point. This paper takes a detailed look at the pressures facing contact center managers and agents. As part of this discussion, this paper will propose a new model and vision for contact center operations – the Dynamic Contact Center.

The Dynamic Contact Center orchestrates, in real-time, a variety of Genesys capabilities that helps companies manage fluctuating contact center variables and conditions. In doing so, the Dynamic Contact Center optimizes cost, quality and revenue goals. In addition to defining a vision of an optimized contact center, this paper will also suggest how organizations can incorporate Dynamic Contact Center capabilities into their existing operations to realize its benefits today.

Greater Recognition = Greater Challenges

In the past, contact centers survived as a “necessary evil” within businesses by providing a basic level of service at a low cost. Today, businesses are recognizing that contact centers play a strategic role as the focal point of customer interactions, sales initiatives, and profit generation. In fact, many businesses in specific industries are using customer service as a key differentiator to retain and acquire customers.

Now that businesses are recognizing the contact center's value, contact centers face increased scrutiny and higher expectations. Customer expectations are rising, too. While technologies like interactive voice response (IVR) systems, computer-telephony integration (CTI), call routing, virtual networks and workforce management have significantly enhanced the customer experience, customers continually demand further improvement. Customers expect each interaction to be at least as satisfactory as the previous one, and this puts additional strains on already-stretched contact center capabilities.

Faced with the constant pressure to generate revenue, manage rising traffic volumes, and meet ever-increasing customer service expectations, contact centers are starting to question

the traditional model of contact center management. As a result, contact centers now have a prime opportunity to embrace a breakthrough model and vision – the Dynamic Contact Center. This vision redefines the three parameters that drive today's contact center: traffic, resources and outcomes (see figure 1) in order to maximize cost, quality and revenue performance.

The Three Contact Center Levers: Resources, Traffic and Outcomes

Since the start of the contact center industry, resources, traffic and call outcomes have been the three fluctuating levers used by contact center managers to manage business and operational effectiveness. The following discusses each “lever” in detail and its impact on the contact center:

Resources refer to the efficiency, availability and capability of the contact center's human resources (agents) and automated systems (such as IVRs) that handle interactions.

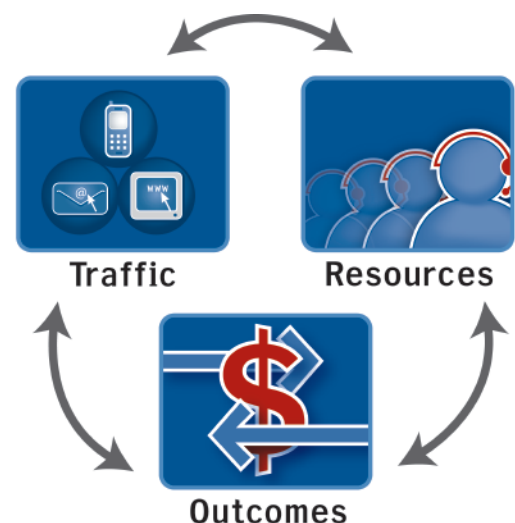
Traffic is the volume of calls, e-mails and other interactions handled by the contact center. Encompassing both inbound and outbound interactions, traffic also refers to the choices made by contact center managers about how interactions should be managed.

Call Outcome is the desired result of interactions. This variable tends to focus on both efficiency metrics such as queue length (i.e. answering all service calls in under 60 seconds), handle time (completing calls in less than 45 seconds), and effectiveness outcomes such as sales results, referrals and customer satisfaction ratings.

Each of these variables or levers is interrelated. An unexpected traffic peak will impact and change outcomes. Similarly, in a high traffic environment, a contact center cannot raise its call outcomes without raising the level of available resources.

Figure 1: The three contact center levers

The Dynamic Contact Center maintains an optimal balance of these interrelated operational and business parameters in order to maximize business performance.



The Dynamic Contact Center, integrates technology and business processes to dynamically manage agent productivity and other tools (resources), prioritize business objectives (outcomes), and respond to fluctuations in demand (traffic). By harmonizing these three parameters, the Dynamic Contact Center can achieve unprecedented optimization of the contact center's three major business objectives: cost, quality, and revenue.

Using the Three Levers to Optimize Contact Center Performance

Current Approaches to Resource Management

One of the greatest contact center challenges is responding to fluctuating traffic through optimal agent availability and task allocation. Many contact centers today struggle to meet spikes in demand or utilize idle resources when traffic drops. These challenges arise due to unpredictable events. For example, calls to ISPs often spike sharply when a server goes down. Similarly, a power failure or burst water main can quickly generate high call levels for a utility company.

Unfortunately, contact center staffing levels are generally decided well in advance, making it difficult to respond to unexpected events. On the one hand, allocating contact center agents conservatively can lead to poor service when traffic spikes. As queue times rise, customers become frustrated, and companies experience high levels of abandoned calls. On the other hand, over-scheduling agents raises costs and creates agent dissatisfaction as they sit idle or perform less valuable tasks.

Another challenge is matching interaction types to each agent's unique capabilities. Some contact center agents are expert at handling inbound calls, while others are equally comfortable handling inbound and outbound calls. Still others prefer to handle only non-voice channels such as e-mail, web chat and instant messaging (IM). Having agents focused on one interaction creates imbalances whenever a particular interaction channel peaks.

Managing Resources in the Dynamic Contact Center

Unlike traditional contact centers, the Dynamic Contact Center will dynamically adjust the volume and mix of available resources to meet changing conditions. For example, agents will shift between activities according to their particular skill set and availability to handle multiple interaction types (job blending) or manage both inbound and outbound calls (call blending). As a result, the pool of resources would instantly expand for one task and contract for another based on real-time analysis of contact center conditions.

Genesys research has found that 57 percent of contact centers already blend agent roles across interaction types. Unfortunately, some are taking a scheduled approach to blending, which does not allow for instantaneous decisions on resource requirements, while others attempt to manually match agent capability to current demand.

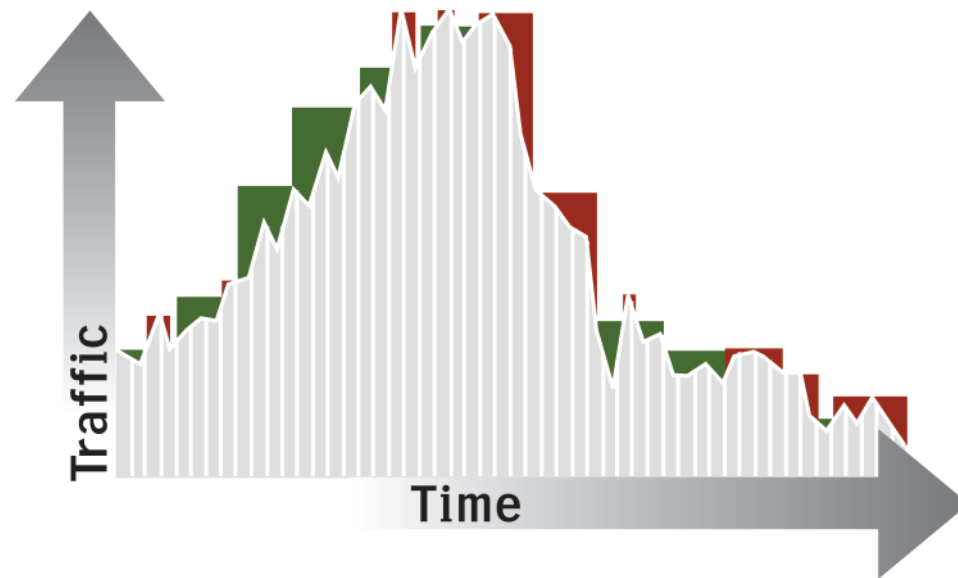


Figure 2: The supply of available agent resources rarely provides a perfect match to the fluctuating volume of incoming call traffic – leading to wasted productivity and poor service levels.

At the same time, the Dynamic Contact Center could reallocate staff from other areas of the business and physical locations. These resources could be deployed at a moment's notice to help manage high traffic volumes or handle complicated, specialized interactions.

Current Approaches to Traffic Management

Traffic volumes aren't always predictable and are influenced by a vast number of factors, from organizational activities such as marketing campaigns to external events such as extraordinary weather conditions or emergencies. In addition, managing traffic tends to be left to human intervention, which presents significant risks in terms of timeliness, consistency and accuracy.

Contact centers tend to rely on self-service automated systems such as IVRs and Web sites to manage traffic. These technologies have been very popular with contact centers (because they offer huge cost savings) and customers (because they are convenient and responsive) and their usage has grown exponentially. In addition, sophisticated speech recognition tools have enabled full automation of transactions previously handled by agents.

Such technology is a mixed blessing – especially for contact centers with a strong quality focus – because self-service reduces human interactions with customers. In addition, giving customers full control of their self-service decisions can lead to a situation in which the IVR is the primary interaction vehicle used by customers, while agents sit idle.

Managing Traffic in the Dynamic Contact Center

Traffic management in the Dynamic Contact Center entails a fully flexible approach: changes in call volumes would result in immediate rebalancing of inbound and outbound activities and other tasks.

The Dynamic Contact Center could adjust self-service levels in real-time, taking into account traffic levels, agent availability and the business objectives for each customer segment. For example, during call troughs, selected high-value customers could be extracted from the IVR to an available agent. At the same time, an increased focus on last agent routing could connect some customers with the agent that served them previously. Abandoned call records from earlier peak periods would be reviewed, so high-priority customers could be called back automatically.

On the other hand, when service levels spike some customers would be offered virtual-hold voice call back – inviting them to have their call returned at a later time rather than having to remain in queue – while others are brought forward in queues.

Optimizing traffic management in the Dynamic Contact Center would also involve pre-empting, deflecting and postponing interactions. For example, banking customers that tend to phone three days after submitting a loan application can be pre-emptively contacted with an outbound call, e-mail or SMS. Similarly, customers affected by a power outage would receive status updates via SMS or outbound calls as to when power will be restored.

Online customers would also benefit from the Dynamic Contact Center. For example, customers browsing an organization's Web site would be invited to deal directly with an agent through a pop-up Web chat window, creating a more personal interaction and seizing a huge and untapped opportunity. Bank of America credits online chat with contributing to an 800 percent jump in online mortgage sales during Q1 of 2006. *

Current Approaches to Outcome Management

Outcome management is focused on deriving the highest possible value from each interaction, taking into account all the current contact center conditions. The desired outcome might involve simply meeting the customer's expectations or closing a new sale.

Establishing realistic call outcomes requires careful consideration of cost, quality and revenue generation objectives. For example, more complicated outcomes (such as sales) cost more to achieve than other outcomes. Generating a cross-sell also requires a significant time investment, which can increase costs and potentially hinder service level performance.

A Genesys survey of contact centers has found that 28 per cent of contact centers already direct agents to expand or contract cross-selling efforts in response to troughs and peaks in call volume, but identified very few contact centers that move between more than two outcome modes over the course of a day.

* Washington Times, 7/24/06

Managing Outcomes in the Dynamic Contact Center

Clearly, as the role of contact centers expands to include revenue generation, the need to efficiently manage outcomes becomes equally important.

The Dynamic Contact Center provides visibility into multiple call outcomes, ranging from basic call handling to customer surveys to highly complex cross-selling pitches. Most importantly, the Dynamic Contact Center seamlessly switches between the different outcome scenarios in response to variations in resource and traffic levels.

At the same time, real-time recommendation capabilities would instantly match a customer profile with a best offer and then use soft scripts or prompts to advise agents on how to handle the interaction. Call handling time could be expanded or contracted automatically to enable desired outcomes.

In short, the Dynamic Contact Center would help managers achieve the outcomes that meet the contact center's objectives and respond to shifting resource levels and call volumes.

Optimizing All Three Levers in the Dynamic Contact Center

The ability of a contact center to manage its three operational parameters in harmony with one another is directly proportional to its ability to achieve cost, quality and revenue objectives. Yet, under the current model, decisions about these three levers are generally taken haphazardly and left to human intervention. Over time, failing to optimize the three levers and balancing them carefully can result in a contact center's failure to meet any or all of its objectives.

In the Dynamic Contact Center, the three levers of resource, traffic and outcome management would always be in harmony and perfectly optimized. Every agent handling interactions would have at their fingertips the full customer interaction history and current data, as well as information about current sales offers and products matched to that customer's profile.

Agents would be more satisfied, because their capabilities would be used to the fullest. Queues would be shorter and the quality of interactions improved, which translates into happy customers. In addition, agent productivity would be maximized, eliminating agent idle time and associated costs.

Call outcome expectations would instantly adjust to reflect the level of contact center activity. As a result, almost every opportunity to improve customer satisfaction or generate revenue would be seized. At peak times, agents would be guided to meet the basic service expectations. As traffic slowed, agent scripts and prompts would be updated, encouraging them to conduct feedback or surveys, expand cross-sell or up-sell efforts, or focus on adding value to the customer interaction.

All elements of the contact center would operate in perfect harmony at every moment: call handling times, queue length, resource availability, and outcome focus. Adjustments would take place dynamically and in real-time to ensure that the contact center delivers upon the organization's key business objectives.

The Dynamic Contact Center in Action: an Example

The Dynamic Contact Center represents a major step forward in the management of customer interactions. To help illustrate this vision, below is an example of how an organization with a Dynamic Contact Center might look at various points throughout the day.

In this example, an Internet Service Provider's contact center is tasked with the responsibility of meeting a range of cost, quality and revenue objectives. With 600 agents across three locations in two countries, the contact center also has access to domain-specific expertise elsewhere in the organization.

Time	Status	Resources	Traffic	Call Outcome
9:05am	Moderate call volume – no service issues	Inbound only Blended agents handling e-mail interactions	Agents extracting priority one customer calls from IVR	Value adding Customer surveys Active cross-selling
12:15pm	Call spike – server outage in a key geographic location	Inbound only Most available agents deployed to handle incoming calls	IVR updated with targeted message about outage and progress. Message plays automatically to all customers calling from outage location.	Basic interaction handling only No value adding No surveys No cross-selling
1:00pm	Low call volume – server outage rectified	Inbound and outbound Blended agents deployed to outbound calls	Agents extracting customers with strong up-sell prospects from the IVR	Up-selling and cross-selling
4:00pm	Moderate call volume – end of the school day	Inbound and outbound Blended agents deployed to outbound calls, e-mail interactions and workflow processing	Customer self-service high, as users access the frequently asked question and answer service	Customer surveys Agent initiated cross-selling
5:00pm	Call spike – news item about new computer virus	Inbound only	IVR updated with message directing users to the website for information on virus protection.	Basic interaction handling only.

Figure 3: The Dynamic Contact Center in Action.

Creating a Dynamic Contact Center

Any contact center – regardless of its current state or level of sophistication – can immediately implement and realize aspects of the vision and promise of the Dynamic Contact Center. Establishing a Dynamic Contact Center begins with deploying and orchestrating – in real-time – key Genesys capabilities that manage a contact center’s traffic, resources and outcomes.

Customer-centric Routing

Customer-centric routing is the backbone of every Dynamic Contact Center. In order to maximize business outcomes, every interaction must be matched with the ideal contact center resource – regardless of location. To maximize sales, Customer-centric routing connects interactions with the highest skilled agent. To maximize customer service outcomes, customers are routed to the agents that helped them previously. Finally, to provide high levels of service to every customer during peak hours, Customer-centric routing directs interactions to “virtual” call centers at other locations. An infinite number of software-based Customer-centric routing strategies can be defined to meet specific business goals and outcomes.

Business Process Routing

Today, most contact centers are not integrated with back-office customer service processes. For example, processing an insurance claim is a multi-step process, handled by different operational units and managed by the back office. As a result, contact center agents often struggle to help customers who want to inquire about the status of their claims. At the same time, contact center agents are not leveraged as part of the business process and cannot process claims.

Business Process Routing integrates back-office workflow items into the contact center. With Business Process Routing, workflow items such as forms, faxes and applications can now be incorporated into everyday contact center activities, and business processes can be tracked and monitored by the contact center just like any other customer interaction.

Workforce Management and Optimization

Another key to the productivity of the Dynamic Contact Center is the ability to fully utilize agents to meet traffic volumes. Workforce Management and Optimization predicts manpower needs and schedules agents based upon past traffic volumes and resource availability. When combined with Customer-centric Routing in a Dynamic Contact Center, Workforce Management and Optimization can adapt and optimize agent resource levels dynamically in real-time by adjusting schedules and allocating agents to alternative work tasks. Finally, integrated training ensures that agent skill sets are evolving to meet the demands of the Dynamic Contact Center.

Consolidation and Virtualization of Resources

Acquisitions and organic business expansion have created contact center operations that span multiple locations. Unfortunately, heterogeneous hardware platforms and geographic boundaries prevent these companies from leveraging these disparate resources as a single pool. Consolidation and Virtualization of Resources unites these various contact centers – regardless

of hardware platform and location – enabling the Dynamic Contact Center to expand and contract its resource pool to meet current traffic demands.

Internet and Multimedia Integration

Today, many consumers prefer to interact with the contact center through non-voice channels such as e-mail, SMS, chat or video. Internet and Multimedia Integration ensures that customers receive a consistent customer experience across all interaction channels. At the same time, these non real-time interaction channels also provide cost-effective options to better manage traffic and outcomes by dynamically shifting the allocation of resources between channels.

Integrated Self-Service

During traffic spikes, Integrated Self-service helps maintain high service levels across every customer segment. Through touch-tone or speech enabled applications, customers can complete basic or complex customer service requests without having to speak to an agent. When combined with Customer-centric Routing, voice interactions can be routed to the Integrated Self-service system based upon current traffic volumes or customer status. Similarly, high-value customers can also be automatically extracted from the Integrated Self-service system to receive personalized service.

Proactive Contact Management

Proactive Contact Management is a core component of any Dynamic Contact Center. Proactive Contact Management can be in the form of an outbound call, e-mail or SMS to promote a product, provide valuable information, or collect an outstanding debt. For example, Proactive Contact Management can help avert unexpected call spikes by proactively calling customers after a power outage, canceled flight or other event that triggers inbound traffic. Finally, Proactive Contact Management provides automated call-back options for customers during peak traffic times.

Real-time Recommendation

To increase customer satisfaction rates and contact center revenue requires anticipating customer needs at the moment they are most open to purchasing a product. Real-time Recommendation gives agents customized information that tailors product and service recommendations to the customer's background, history and interaction type. These recommendations can be used during up-sell, cross-sell, renewal and partner promotions. Finally, the ability to record the final outcome of interactions enriches the recommendation process for future interactions.

Branch, Remote and Expert Integration

Often, servicing specific customer segments requires very specialized agent skills. Through its Branch, Remote and Expert Agent Integration capabilities, the Dynamic Contact Center immediately identifies the customer's unique value and extends its resource pool to include specialized agents outside of the contact center. These agents can be located at a branch office

or within another corporate location. For example, high-value banking clients can be immediately routed to a specialist in a branch office when conducting a complex transaction that may offer an up-sell opportunity.

Reporting and Analytics

Contact centers have always relied upon operational reports to manage basic, day-to-day operations and control costs. Typically, these reports have been generated by traditional ACD platforms and stand alone reporting software. Today, the Dynamic Contact Center requires timely, actionable and relevant decision support data to optimize cost, quality, and revenue goals. With the ability to provide basic operational data to sophisticated KPIs that measure business performance, Reporting and Analytics deliver historical and real-time insights into the health and performance of the Dynamic Contact Center. Ultimately, the insights from Reporting and Analytics ensure that the Dynamic Contact Center is always optimized and evolving to meet its business priorities.

Real-Time Orchestration with the Dynamic Contact Center

Many contact centers have already deployed some of the capabilities detailed above. However, deploying individual capabilities is only half of the battle. A Dynamic Contact Center requires real-time orchestration between these capabilities in order to realize greater levels of optimization. When operating in isolation, these capabilities are limited in their potential to harmonize cost, quality and revenue objectives. However dynamically orchestrating these capabilities together enables contact centers to manage their fluctuating business and operational levers (traffic, resources, and outcomes) to meet core business objectives (see figure 4).

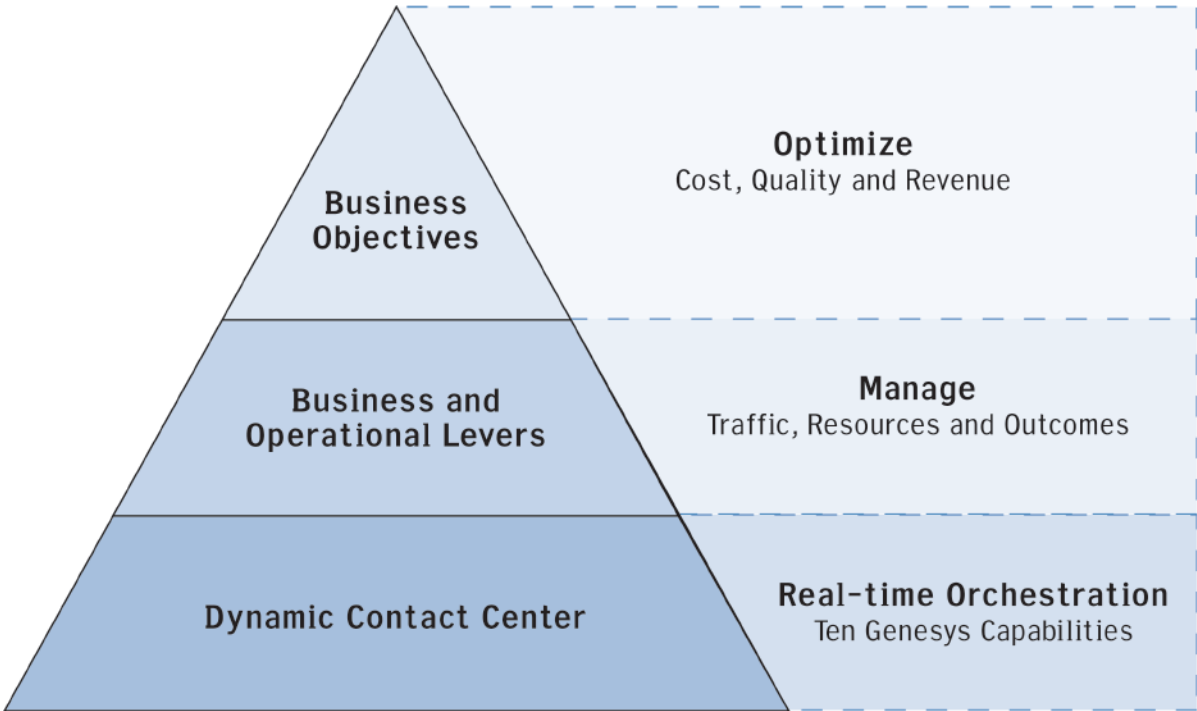


Figure 4: How the Dynamic Contact Center optimizes business objectives.

Benefits of the Dynamic Contact Center

Organizations that implement the Dynamic Contact Center can expect to immediately reap significant benefits within the contact center and across the enterprise.

Business and Organizational Benefits

The Dynamic Contact Center brings the contact center into closer alignment with high-level organizational objectives. This benefit is achieved by tying operational aspects to key business objectives and priorities. For example, an organization in a strong revenue growth phase would be assured that the contact center was optimizing its efforts to make sales and meet targets. Similarly, organizations focusing heavily on customer retention would set the operational parameters of the contact center to maximize customer satisfaction and solicit feedback.

The Dynamic Contact Center also aligns contact center operations with the back office and other organizations through its Business Process Routing capability. By extending its reach to back-office processes, the Dynamic Contact Center links silos of information and overcomes gaps between various corporate functions.

Revenue and Profitability Benefits

In a Dynamic Contact Center, cost savings and revenue generation do not come at the expense of one another. First, by dynamically allocating tasks to agents based upon current contact center conditions, agent underutilization is eliminated. Similarly, by leveraging the Dynamic Contact Center's capabilities to minimize call traffic, companies will reduce their cost per agent while focusing agent activities on higher value customers.

Dynamically optimizing contact center performance also ensures that every revenue opportunity is seized through cross-selling and up-selling. The Dynamic Contact Center's outbound capabilities can automatically initiate a marketing or up-sell campaign during troughs or provide cross-sell recommendations to agents to ensure that revenue targets are consistently met.

The Dynamic Contact Center also drives organizational profitability by improving customer retention. Customer retention is strongly linked to customer loyalty, which is facilitated through direct agent contact and the dynamic adjustment of service levels and call handle times in response to call volumes.

Contact Center Manager Benefits

The role of a manager in the Dynamic Contact Center will be very different from his or her counterpart in a traditional contact center. The latter spends much of the day reacting and responding to operational considerations, while the manager of a Dynamic Contact Center is assured that the right tools and processes are in place to handle almost every operational variable. The manager can focus on the contact center's progress towards the achievement of its business objectives, the quality of the customer service experience, or the contribution the contact center makes to the organization.

Customer Benefits

Customers that interact with a Dynamic Contact Center benefit from a unique, consistent, and superior customer experience.

First, efficient management of queue and handle times ensures that customer frustration is managed without putting pressure on agents to rush interactions. Similarly, customers can use any preferred interaction channel to communicate with the Dynamic Contact Center – including self- or assisted service – with a consistent experience and positive result. Next, by immediately recognizing a customer's unique value and requirements, the Dynamic Contact Center will always match the interaction with the ideal agent – regardless of location. Finally, proactive notifications will give customers “peace of mind” by providing them relevant and timely information.

Agent Benefits

Agent retention is one of the greatest challenges facing the contact center industry and can be attributed to a range of factors including the stress of coping with frustrated customers, boredom, and a lack of job variety and challenge. Dynamic Contact Center agents who service satisfied and happy customers will be happier in their jobs.

Dynamic Contact Center agents will also be empowered to handle a range of interaction types including e-mail, faxes, inbound and outbound phone calls, and other work items. By incorporating a variety of tasks into the workday, agents will be challenged and engaged in their jobs. Ultimately, this newfound job satisfaction will also improve retention rates and reduce employee absenteeism, lowering the cost of attracting and training new staff. Most importantly, satisfied agents deliver better customer service.

Conclusion

Businesses are increasingly expecting the contact center to operate as a successful profit center, while controlling costs and maintaining high levels of customer service. As a result, contact centers are abandoning the “status quo” in favor of a new way to manage the fluctuating nature of its traffic, resources and business outcomes.

The Dynamic Contact Center provides an evolutionary path for companies to incrementally incorporate Genesys capabilities within their existing operations. Ultimately, by orchestrating these Genesys capabilities in real-time, the Dynamic Contact Center unlocks the full potential of the contact center.

First, agents are fully utilized across a variety of interaction types. Based upon current conditions, traffic is managed by automatically adjusting between self and assisted service, and by regulating inbound and outbound activities. Next, external events and value-add opportunities would automatically generate proactive notifications to customers. Finally, the priority of call outcomes from basic service to increasing cross-sell rates, would immediately adjust based upon traffic and resources.

Any contact center – regardless of its current state or level of sophistication – can immediately begin to implement and orchestrate these dynamic Genesys capabilities, and benefit from a Dynamic Contact Center that optimizes the harmony of cost, quality and revenue goals.

About Genesys

Genesys, an Alcatel-Lucent Company, is 100 percent focused on software for contact centers. Leading companies in the Global 500 and Fortune 1000 use Genesys to optimize interactions that drive better business. With 4,000 customers in 80 countries, Genesys directs more than 100 million customer interactions every day helping organizations achieve key business goals by optimizing customer interactions, enhancing employee performance and improving operational efficiency. Genesys solutions are available in both traditional telephony and IP environments.

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