

**White Paper**

## The Future is Now: Leveraging the Right Technology Solution to Create the Ultimate Customer Experience

Making the switch from reactive customer interaction to proactive customer experience requires a new strategy in which technology plays a key role.

Your hard drive just crashed and you have a critical deadline in less than six hours. You use your smart phone to call in for technical support. The agent immediately answers the phone, recognizes you by name and knows exactly what model you have. She conducts a quick review of your system and business needs, and advises that you should upgrade to some newer software that you then pay for and download on the spot. She texts you a link to a video that visually walks you through step by step how to reboot and restore. As a follow up, the agent also sends an email with link to a community forum that is frequently visited by users of the same model. In less than 15 minutes, your problem is solved. Your computer is running better than before and the hard drive manufacturer has used this moment of truth to earn your loyalty.

That's not a vision of the year 2020, that's today. New technologies are now available to dramatically enhance the customer experience and build long-term loyalty. And it's all on the customers' terms – when they want it and where they want it. Customers today expect and demand personalized 24/7 service through their preferred channel whether they are interacting with a computer manufacturer, the local bank branch, or their mobile phone provider. And if they don't get it, they are headed off to the competition, which is only a mouse click away.

Enterprises all over the world are realizing that they need to make the move from their traditional view of managing customer service interactions reactively to creating a proactive, fully integrated customer collaboration strategy. This kind of transformation requires a company to think about its technology investments in a new way.

At the same time, businesses are under intense pressure to manage costs, and many continue to struggle with crippling technology challenges, such as old legacy systems that don't talk to one another and are far too expensive to replace or rebuild. How can companies ensure they are utilizing the right technology solutions available to create the best customer experience possible, advance their contact centers, and retain customers – while staying within their budget limits? And what's the most effective option – a Cloud solution, On-Premise, or a combination of the two?

To know what solution is right for your company, you first need to have a clear sense of your business objectives and the current state of your technology, then learn the full range of technology options available to you to meet your business goals. This white paper is designed to help you assess the health of your current customer experience technology strategy and provide you with the knowledge you need to make informed decisions on next steps.

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From Contact Center to Customer Collaboration Hub	
Traditional Contact Center	Customer Collaboration Hub
Enterprise and people driven	Customer and technology driven
Voice channel	Multichannel
Reactive	Proactive
KPI driven	CSAT driven
Cost centers	Profit centers
Distributed and redundant infrastructure	Centralized and virtualized infrastructure
Manage customer data	One view of customer

### Understanding Your Business Goals and Current State

New technology is not a substitute for business strategy; it is an enabler and accelerator. However, many companies make the mistake of pursuing a cutting-edge solution or “shiny object” in the hopes that it will solve their business problems, or help them achieve their revenue or savings targets faster. “Companies first need to clearly understand what they are trying to achieve, and then make the business case for the right technologies that will enable them to accomplish their specific business objectives. They need to determine methodically and strategically what to spend and where to spend. Otherwise, companies risk overspending or spending on the wrong solution for the wrong area of their business,” says Carol Kline, chief information officer at TeleTech.

But not all current state assessments are alike. Many companies choose to conduct their evaluations in-house. Even for major corporations with significant IT expertise, this can provide an incomplete or inaccurate picture. As a recent report from Forrester noted: “Multiple consultants told us about receiving requests for proposals to fix or replace complex call center technology, only to go on-site and discover a relatively simple workflow or training solution for a fraction of the cost.”<sup>1</sup>

Companies are often better served by working with an outside resource that can provide objectivity, as well as a wider perspective that includes the latest and best solutions, industry best practices and cost structures. By identifying all possible customer touchpoints across every channel (live help, self-help, and social), step-by-step multichannel integration roadmaps can be built that show the way to the future and how much it will cost to get there for each solution.

### Understanding Your Technology Enhancement Options

After companies determine their exact customer experience goals and technology current state, they need to gain a thorough understanding of the technology solutions available to meet their specific needs, and then balance these against key internal issues – such as budget, security requirements, and corporate culture.

## TOP FIVE MISTAKES MADE WHEN CHOOSING AND IMPLEMENTING NEW TECHNOLOGY SOLUTIONS

1. Choosing hot, new “shiny object” solutions that you don’t need – instead of strategically identifying your true needs
2. Cutting and pasting short-term or narrow solutions, instead of looking at the big picture
3. Overestimating the savings and results from a technology upgrade – technology can enable and enhance the customer experience but is not a silver bullet
4. Underestimating the complexity of a technology upgrade – and not leveraging the expertise of an outside provider to problem-solve until too late in the process
5. Choosing a provider that offers Cloud hosting but has little experience operating customer contact centers itself

A solid, integrated technology solution will always address these three factors:

- **Technology Efficiency:** Create a platform geared for maximum productivity, fully aligned with business needs
- **Operations Excellence:** Align people, process, and technology for agile service delivery
- **Customer Experience:** Create a customer interaction environment conducive to both revenue attainment and customer loyalty

Integrated contact center technology solutions address not only the IT structure itself, such as voice and data routing and security, but also the associated Operations needs in hiring, workforce efficiency and quality, agent productivity tools and most importantly, the customer’s need for anytime, anywhere, any channel interaction.

### Each factor can be provided in the Cloud, On-Premise, or using a hybrid solution.

**1. Cloud:** A Cloud solution moves IT assets and operations from a company’s on-premise infrastructure to a secure, shared environment that offers multiple benefits, such as the ability to rapidly deploy state of the art technology without capital expenditure or implementation risks (such as project delays, cost overruns, or market changes), and enhanced scale, speed, delivery, and capability.

**2. On-Premise:** If a company has on-premise systems, and either does not want to or cannot move to the Cloud, it can still significantly enhance its customer experience management position. This can be accomplished by upgrading its existing hardware or software and better integrating its infrastructure to improve speed, efficiency, the customer experience, and provide the company with a 360-degree view of its customers.

**3. Hybrid:** Hybrid solutions offer a combined approach, moving select assets and services to the Cloud, while maintaining others on-premise, depending upon a company’s particular needs, budget, comfort level, and in some cases, legal requirements.

The pros and cons of these options should be carefully evaluated before making any decision. Each option is covered in more detail below.

### Clarifying the Cloud

Cloud technology has been evolving in recent years, and is now reaching critical mass among companies looking to provide the optimal customer experience. In fact, Gartner predicts that by 2015, the total Cloud market will be worth \$176.8 billion, which represents a five-year compound annual growth rate (CAGR) from 2010 of 18.9 percent.<sup>2</sup>

What’s behind the rapid growth? The Cloud offers revolutionary advances for customer experience management – enabling companies to solve complex, long-standing business problems that work against a truly integrated, multichannel customer experience.

## Benefits of the Cloud

### REDUCE COSTS

- Convert capital expenditures to operating expenses
- Productivity gains from enhanced tools reduce total number of agents required
- Virtual desktops cost less to maintain
- Penalty avoidance/revenue recovery due to improved system uptime
- Cost-of-capital avoidance and depreciation expense reduction

### IMPROVE OPERATIONAL EFFICIENCY

- Instantaneous access to new technologies
- Anytime, anywhere, any channel customer interaction options
- Easy agent access to customer account information across channels and product lines
- Improved call handling, saving hours of valuable time per associate

### INCREASE SPEED TO MARKET AND FLEXIBILITY

- Ability to scale up or down to quickly respond to changing market conditions
- Faster time-to-benefit
- Fully operational in less time than deploying premise-based solutions

“One key advantage of hosted services that is often overlooked is time-to-benefit,” says Tina Valdez, vice president of OnDemand Operations, TeleTech. “A typical CRM implementation or upgrade can take between 18 months and five years. In the Cloud, it takes just months.”<sup>3</sup>

To fully understand how the Cloud can benefit a particular company, consider the following case study. A federal government agency was looking for access to secure, scalable technology to support its immediate and evolving contact center needs, including handling massive, concurrent inbound and outbound call volume.

As part of a very large, highly regulated, citizen contact program solution, TeleTech engineered a Cloud-based telephony system that supported both inbound and outbound operations across 11 separate locations nationwide. Specifically, the system was constructed to support a concurrent load of up to 60,000 inbound calls and generate up to 24,000 simultaneous outbound calls using an IVR, advanced dialer, and up to 8,000 fully trained customer service agents. In addition, the Cloud solution was also designed to be highly secure, to make available cost-efficient VoIP telephony to multiple outsourcing vendors, and to leverage workforce management tools to enhance productivity, analysis, and reporting.

One of the many benefits of this approach: After implementing this solution, more than half of the agency’s inbound calls were self-served using the custom-developed IVR system, which provided advanced speech recognition functionality in both English and Spanish.

As this example shows, companies that move to the Cloud can offer customers an experience that is continuously improving. Today, that means a customer can better solve his or her issue through self-service or communicate with a customer service agent through their preferred channel of choice (voice, chat, SMS or e-mail). Tomorrow, it could mean resolving a product or service issue via whatever emerging technology channel the customer chooses, faster and easier than ever before. The Cloud allows companies to constantly test, innovate, and adapt new paradigms at minimal cost.

However, while the benefits of a Hosted/Cloud solution can be dramatic, there are still concerns among some about the risk of moving data off-site. To assuage these fears, Cloud providers often point out that many leading financial service providers and government agencies are already fully embracing the Cloud, with more moving part or all of their operations off-premise every day.

### Opting for an On-Premise Solution

Some companies may not be ready to move from on-premise to hosted technology, because of concerns over resources, security restrictions, or other barriers – for example, if they have recently invested in on-premise equipment. For these businesses, an On-Premise solution can offer a powerful way to better leverage the latest technologies available to immediately strengthen the customer experience.

For example, a major national retailer needed to significantly improve its customer service operations, including overcoming critical obstacles such as out-of-date legacy IVR systems specific to each store, misrouted calls, and calls not being answered in high-traffic times as store salespeople became overwhelmed by inbound call volumes.

eLoyalty, a TeleTech company, worked with the client to design a transformational solution that shifted customer interactions from stores to contact centers, including creating a new retail contact center operation with 2,500 agents. To improve the customer experience during calls that had to be answered by an individual store, eLoyalty developed in-store call handling performance management metrics and reporting to improve call quality and store accountability. The On-Premise solution also created a centralized Customer Interaction Solution, featuring a uniform IVR system with state-of-the-art voice recognition and consistent business rules.

As a result of these enhancements, the retailer realized \$11 million in annual telecom savings, began generating incremental revenue through the more efficient contact center, and improved the customer experience by greatly reducing misrouted calls and increasing first call resolution.

### **Meeting in the Middle: the Hybrid Solution**

For companies that want to leverage hosted technology to improve their customer experience, but aren't ready to fully migrate to the Cloud, a Hybrid solution is an effective compromise. This option allows businesses to upgrade and better integrate their on-premise technology, while simultaneously moving part of their operations to the Cloud.

Like Cloud and On-Premise solutions, a Hybrid approach provides multiple benefits, including helping companies push through longstanding compatibility roadblocks, while capitalizing on the scale, speed, and delivery capabilities offered by Cloud.

An example: A major electricity and natural gas supplier sought to maintain its competitive pricing advantage while entering into new markets, such as pre-paid energy services, and improving its customer satisfaction. TeleTech created a Hybrid Cloud/On-Premise solution that helped the company develop a best-in-class technology platform that provides a reliable, standard, high quality customer experience. Specifically, the solution included launching a new state-of-the-art self-service IVR, with enhanced skills-based call routing, quality monitoring, workforce management, and agent productivity suite, among other enhancements in the Cloud, while supporting more than 800 agents in two locations.

General administrative lines with voice mail and the existing agent failover plan – which ensures continuity should a switch fail – continued to be handled through on-premise ACD switches.

As a result of these advances, the company was able to rapidly upgrade all contact center and administrative technologies, enabling immediate cost reductions. Fewer agents were required resulting in a \$9.5 million per year savings. The company was able to provide a faster response to customers, improving business continuity and access new industry-leading technologies.

A retailer realized \$11 million in annual telecom savings and improved the customer experience by shifting customer interactions from stores to contact centers.

## TeleTech's Advantage: A Full Range of Customer Experience Technology Solutions

TeleTech understands customer satisfaction is achieved by fulfilling the customer's interaction needs using the most efficient and effective channel of choice. TeleTech offers a sophisticated technology ecosystem designed to create an enhanced customer experience across the entire customer lifecycle that also reduces client costs. The company has more than 29 years of experience in customer experience management technologies and has deployed more than 230,000 contact center seats in the Cloud and on-premise.

TeleTech serves both large and small companies, organizing its technology solution offerings around the needs of its clients:

- The Customer Experience Suite comprises the tools that enable a seamless interaction for customers across their preferred channel. Channels include Voice, Click-to-Chat, Text, and Social Media. The business benefits include improved first call resolution, customer retention, customer satisfaction and Net Promoter Scores.
- The Optimization Suite includes TeleTech's agent-facing tools – such as Desktop Automation, IVR and Web Self-Service – which integrate data and channels to make interactions quick, efficient, and effective. Specifically, the optimization tools enable the agent to be more productive and empower the customer to better leverage self-service IVR – resulting in greater efficiencies for the organization.
- The Revenue Generation Suite is designed to leverage customer data to drive effective sales and marketing activities across channels, and to attract, retain, and grow customers. Tools include eCommerce Personal Pages, Marketing Campaign Automation, Electronic Direct Mail, Quote-to-Cash systems, Social Media, CRM, and more.



### TeleTech's Approach to the Cloud

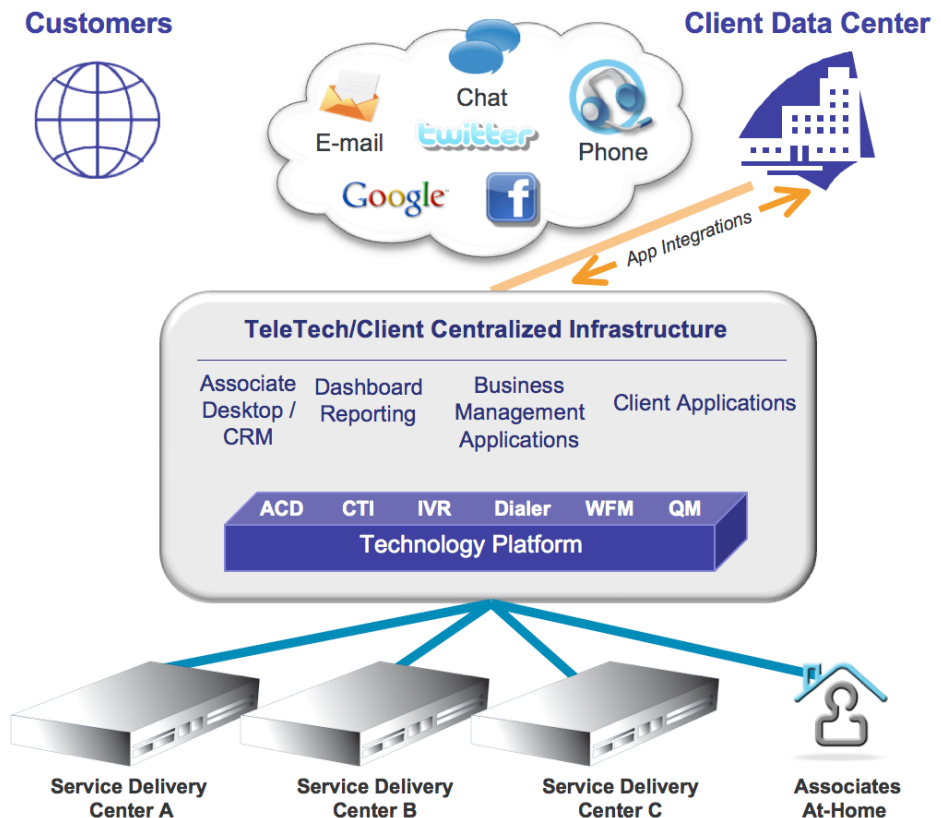
TeleTech is one of the few Cloud providers in the contact center space, and the only Cloud provider that hosts and operates its own contact centers, giving it unique insights into client needs and potential opportunities. The company delivers a complete Cloud infrastructure with a software as a service (SaaS) model as a key element of its technology foundation.

“TeleTech has the broadest portfolio of state-of-the-art technologies in the customer experience space,” says Jim Madden, vice president of Cloud contact center sales. “We partner with companies to significantly change how their customers view them and significantly strengthen their competitive dynamic in the marketplace.”

TeleTech's technology solution enables clients to move their contact center infrastructure to the Cloud, update technologies, improve contact center productivity, and integrate social media into customer relationship management offerings. SaaS delivers speed and flexibility – while typical internal upgrades can take months to put into operation, TeleTech OnDemand implementations can be mobilized in weeks. TeleTech can help clients enhance operations in order to reduce risk, boost customer satisfaction, and avoid capital costs.

TeleTech's Cloud clients include multi-program BPO providers; large multi-national companies in high security sectors like government and financial services, among other industries; and small and mid-sized businesses.

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New customer experience management solutions strategically reduce risk to your enterprise. Technology can't replace traditional customer experience operations, but it certainly can move them light years ahead.

**How TeleTech Provides On-Premise**

For companies that do not want to move to the Cloud, TeleTech can help them enhance their customer experience by upgrading and better integrating their on-premise systems, so they can extract the most value from their existing technology.

“In order to provide intelligent customer service, you must have integrated systems and access to your legacy store of data,” said Steve Pollema, senior vice president and general manager of eLoyalty, a TeleTech company. “Almost all large companies developed systems over years and years. Integration of those resources is usually a daunting task. However, if you don't have a 'single view' to abstract the data up, it's difficult – if not impossible – to create systems that provide a superior customer experience.”

**How TeleTech Provides Hybrid Solutions**

Because TeleTech offers the full spectrum of customer experience solutions, it can create a customized, Hybrid approach for companies that want to move some – but not all – of their systems and operations to the Cloud. These solutions are phased in and TeleTech can help with the implementation. The solutions are also scaleable and can grow as the company grows, or expand when the company is ready to migrate more of its services to a hosted environment.

**Conclusion**

In today's competitive marketplace, customer experience is the key differentiator, and technology is a proven way to provide a superior customer experience. However, understanding which technology solution is right for your company can pose a serious challenge. Before you invest, it is critical to perform an in-depth assessment of your current state and customer experience objectives. It is also essential to look beyond your organization's point of view and capitalize on the wider perspective and objectivity offered by an outside provider. But most important of all, companies must recognize that doing nothing is not a viable option. Businesses that don't move to take advantage of new customer experience technologies risk falling behind their competition – and losing customers.

“As companies try to improve top-line revenue, reduce costs and drive profitability, they are stepping back and recognizing that the new customer experience management solutions strategically reduce risk to your enterprise,” says Kline. “Technology can't replace traditional customer experience operations, but it certainly can move them light years ahead. That's what Cloud, On-Premise, and Hybrid solutions are ultimately all about: *customer experience transformation.*”

<sup>1</sup> Forrester, “Reinvent Your Call Center Culture to Create Amazing Customer Experiences” February 23, 2011, page 6

<sup>2</sup> Gartner, “Forecast: Public Cloud Services, Worldwide and Regions, Industry Sectors, 2010-2015, 2011 Update” June 29 2011, page 1

<sup>3</sup> Adapted from Tina Valdez interview with TMCnet 7/12/11 <http://customer-experience-management.tmcnet.com/topics/customer-experience-management/articles/195695-teletech-hosted-solutions.htm>