

## White Paper

# How Supplier Partnership Unlocks Customer Experience Transformation

November 2014

## HOW SUPPLIER PARTNERSHIP UNLOCKS CUSTOMER EXPERIENCE TRANSFORMATION

The contact center for a financial services institution is a fast and dynamic environment where change is the only constant. For the card division, the contact center can be the only, one-to-one experience held with customers. The experience a customer has with customer service agents is one of the most important contributors to customer loyalty and longevity.

While the Temkin Group found that credit card issuers as a group have improved customer experience rankings by 4.1% from 2013 to 2014, representing the most improvement across all 19 industries the company's research covers, there is still room to climb higher. However, doing so requires embracing change, something that research conducted by Moorhouse Consulting found that only 12% of financial services executives think their organization has the capability and capacity to tackle successfully.

The research also discovered that 2 out of 5 change projects are related to regulations and compliance. In fact, the focus on regulations is also found to impact an institution's ability to address other key business priorities brought on by a changing marketplace, including improving the delivery of customer service.

We would like to submit that financial services institutions do not need to shoulder the burden of change alone—nor do they need to put off improvements to customer relationships in favor of the need to prioritize change projects based on regulations. With the right supplier partnership, transforming the customer experience can be undertaken and achieved successfully, freeing up resources to work on other critical change management imperatives in parallel.

*Financial Services institutions do not need to shoulder the burden of change alone...*

At the end of this story, you will find a Questionnaire that will help you determine whether a partnership is part of your business model.

## THE NEED FOR CHANGE TO DELIVER THE BEST CUSTOMER EXPERIENCE

It is definitely a challenge that a financial institution's infrastructure, culture and processes are so big and complex that changing them becomes the elephant in the room. One business unit may want to affect change, but making it happen is easier said than done.

The first problem is in knowing where to start. When something looks huge and risk appears high, inertia is preferable to choosing a next step incorrectly. Failure is not perceived as a viable option, so talking about wanting to rise to the challenge—but doing nothing—becomes the order of the day. With that risk looming, the team desiring change is challenged to persuade the senior executives with the authority to make change happen to buy into it.

In one real-world scenario, an enterprise financial institution found its card division at the bottom in every customer ranking, including J.D. Powers and Net Promoter Score (NPS). Fast forward four years and this card division is number one in small business—ahead of American Express—and is dominating Visa and MasterCard, as well as the sub-prime category.

This paper will answer the question about what changed to make “delivering the best customer experience” the reality for its card division’s contact center and customer service operation.

## **USING DATA MAKES A DIFFERENCE**

Once the customer service team decided to take action to elevate the customer experience, they realized that the company needed to get better at collaborating and using data. The true challenge was to acquire the ability to make decisions based on client data that helped them to think differently. To influence change, they knew they had to create compelling business cases to influence senior leaders who were responsible for budget and authority to move the project forward. What they needed to determine was how to quantify business change in a way that made sense to the organization.

When Sykes was invited to help them gain buy-in for change, it was discovered that to gain valuable insights from data they needed more of it. Some of the discovery included learning that call center agents were evaluated using phone-based surveys—two per month. The data sample was so small that the team was unable to make decisions based on visibility into what was really happening during the customer service interaction. What they needed was enough data to find answers to the bigger questions that were based on facts, rather than relying on instincts to make business-driving decisions.



To help the client resolve this issue, Sykes became very vocal about the data being inadequate. Given this feedback and the client’s own observations about the data, they chose to move to more comprehensive and frequent email surveys. Expanding the data collected allowed them to tap into the voice of the customer (VoC) to create a compelling business case for internal persuasion toward consensus for change. With the right proof points, the team was able to gain executive sponsorship.

## **HELPING THE CLIENT THINK DIFFERENTLY**

Once the team started looking at customer data differently, they got curious. Sykes collaborated with them to engage the quality assurance (QA) agents differently. Together, we explored different ways to look at the data, including predictive CSAT. By looking at call types and call drivers, which had not

previously been available, Sykes and the client began adding fields to the data to create new ways of dispositioning the quality assurance data.

Eventually this led to mixing CSAT data with QA data to improve root cause analysis. By leveraging the strength of the contact center methodologies and processes they gained insights about their platform, processes, policies—things they had made observations about previously, but hadn't had the quantified data to make the appropriate business case internally. The combination of CSAT and QA data enabled them to assess satisfiers and quantify processes by cross-referencing the two types of data with an overlay view. This is where the Sykes Systematic Problem Identification (SPI) tool came to life.

Sykes took the work done to date and developed the SPI tool to enable the QA and operational teams to dissect any observation to more easily find root cause and put numbers around it. For example, six points of satisfaction are related to "X" factor.

The third major change that Sykes helped the client to facilitate was to understand that their customer service agents know how to do the job better than anyone else. This insight allowed them to identify a new source of informational input and led the operational team to create an agent feedback loop to help improve the identification of the elements of satisfiers and dis-satisfiers. The agent feedback loop was facilitated by a weekly joint call with the team where agent feedback was collected, prioritized, committed to, and quantified against improvements made to processes and policies.

## **THE NEED TO LISTEN DIFFERENTLY**

Quality assurance teams were originally designed to make sure agents are doing what they're supposed to do when handling customer service calls, based on company policy. This traditional approach led to listening from the perspective of finding and correcting what agents did wrong. The problem is that the approach didn't help to build understanding about where service delivery went wrong and what could be done to help agents improve. The environment of the contact center was focused on punitive measures rather than helping agents to reach potential.

When this disconnect was recognized, the team began to understand that a process that combined business intent with the connection the agents were able to make with customers enabled them to calibrate the calls to higher effectiveness which would result in higher customer satisfaction. As we gathered more data, adjustments were made that shifted their approach away from focusing on dis-satisfiers. The question to answer changed from "What are agents doing wrong?" to "What didn't we do that we should have done?" The difference may seem subtle but the insights and improved agent morale fostered significant improvements. Essentially, delivering the best customer experience has much to do with adopting a new perspective.

The first step to improving CSAT must be to remove the dis-satisfiers. Trying to improve Top Box metrics with too much wrong is a wasted effort.

## INCENTIVIZING THE OUTCOME YOU WANT

Taking responsibility for change led the customer service operations team to invest heavily in incentives. Once they understood that motivating agents with incentives created happy agents that resulted in happier customers, they invested heavily in rewarding their agents. At one point they even gave away three cars. That's how important it was for the team to pursue the change agenda to elevate customer service and CSAT. And, rather than putting the onus on their contact center provider to provide incentive packages that eat into margins, the client chose to shoulder the cost.



As the initiative toward delivering the best customer experience evolved, the challenge became; What if we can gain a five-point lift in CSAT just from improving incentive programs?

The answer to this challenge is not about simply creating improvement, but in driving a different type of improvement. Not only did this rather hefty investment in incentives help their contact center answer the challenge above, but it also increased profitability. Incentives are more than kudos. Incentives are a business tool that must be applied wisely to amplify outcomes that relate to business goals. Incentives do have an ROI.

## BUILDING ON THE RIGHT CULTURE

During this substantial change initiative, the financial institution underwent three major reorganizations. The executives the Sykes team engaged with also shifted. However, because the client recognizes the value of its culture and hires people with a cultural fit, the initiative continued to flourish despite the bigger changes taking place across the organization.

Sykes account managers continued to prove to the client that they do more than answer phones. They showed up with smart, innovative ideas and challenged the way things have always been done with analytics to back up those ideas. Sykes's people kept the client focused on the evolutionary approach by providing business cases that fueled the transformation of its customer service program from last to first in just four years. That the client had the right culture meant that they shouldered their part of the burden of transformation along with Sykes, rather than expecting the vendor to make it happen on their own. This type of change requires that smarts be applied from both sides.

## TAKING A ONE TEAM APPROACH

Selecting a contact center provider is a big choice. The success of the relationship relies on the ability for the provider and client to work together as one team. Rather than a micro-management exercise, it's about collaboration, brainstorming and each side being coachable from the other to make the changes

required to achieve the common goal. For this client, the top priority was “delivering a great customer experience.”

One of the cornerstones that proved valuable for our relationship with this client is the agreement to work together to arrive at the top focus areas as aligned to their business initiatives and culture. Sykes’ operational team published this list to the client as our commitment on what we were doing to align with their initiatives and what we’d focus on for the year and marketed it heavily to increase transparency across the organization. The continuous improvement process was aligned to these focus areas and the combined team worked the plan together.

There were setbacks along the way, but with the foundation for a strong, long-term partnership the negotiations that could have derailed a less committed team actually made them stronger. When both the client and the contact center provider are open to change and coaching, great things can happen. When each side brings their considerable expertise to bear in pursuit of the top goals, the more likely the initiative is to be successful.

It’s actually a matter of having the confidence in your vendor to give up control in favor of collaboration. And it’s about recognizing which side of the team has the expertise to move the needle. This client had the confidence in Sykes to be able to rely on the expertise of its people to point out which initiatives should be pursued in relation to achieving the continuous improvement that aligns with business goals. Making and keeping the commitment to this initiative and working with Sykes as ONE team allowed the client to transform the customer’s experience from last to first in just four years.

## **THE FUNDAMENTALS OF A TRUSTED VENDOR PARTNERSHIP**

Creating a truly collaborative and progressive partnership with your contact center vendor requires certain fundamentals that are hard to come by and difficult to perfect. Each of the fundamentals summarized below became primary drivers of the relationship with our client to attain the goal of delivering the best customer experience.

Doing so required our client to have a willingness to be flexible and the confidence to trust that our people have the expertise to guide the relationship. Our people reciprocated by introducing innovative ideas, new processes and methodologies and the progressive use of data to help the client make better, more informed decisions to achieve their top goal.

The fundamentals inherent to the success of creating this partnership include:

- **Raise the Game for ONE Team**

Working as one team requires collaboration. Strategy sessions are a really successful way to develop collaborative approaches, but the key is in making decisions together. The client trusted that Sykes’ people had the expertise in customer service that they needed to transform. They were willing to use that expertise and contribute their company’s expertise where it applied.

Micro-management and a failure to relinquish control have no place in a ONE team environment. Both Sykes and our client were willing to go all-in.

- **Coach and be coachable**

The willingness to coach and to be coached requires confidence and the curiosity that drives continuous learning. Sykes' people had the conviction to ask our client to trust them. And the client's team had the trust to relinquish control and say, "let's learn."

- **Transparency: The Good, Bad and Ugly**

Change inevitably means there will be good, bad, and ugly steps on the road to transformation. Where companies not only get into trouble, but miss huge opportunities is when the information needed to affect change and adjust culture is withheld. Our client adopted an open policy that allowed us to share all the data, insights and feedback from both sides—from management teams out to the agents. This transparency proved critical for successful transformation. Additionally, implementing management by walking around coupled with engaging visuals for reference was found to be a great way to ensure that the message is transmitting between all involved to connect people to the work.

- **Alignment: Top down and bottom up**

Delivering a great customer experience doesn't happen in a vacuum. Similar to transparency, alignment is crucial across all parties involved. But the real value of alignment is in the level of commitment that can be established for achieving the top priorities for customer service. To gain full alignment from top to bottom, our client started with a mission statement, top priority goals and investing up front with the right staffing to allow for the achievement of service levels and reduced attrition. Sykes helped them to develop and align internal measurements, such as creating an improved QA form to ensure the metrics support the goal. Sykes' people provided the guidance and processes to help our client achieve full alignment for a successful transformation.

- **Continuous improvement process**

As they say, Rome wasn't built in a day. Given the vast amount of customer data that can be used and applied to develop or improve processes, policies and workflows, achieving excellence in customer service is based on iterations. Customers are not the same today as they were yesterday or last month. Continuous improvement is a discipline that Sykes brought to the fore with a thoughtful and measured approach. Measuring milestones toward achieving top goals can be evidenced with J.D. Power certifications. This achievement can be used to gain continuous commitment to the initiative from your executive board.

- **Innovation**

Innovation may start with a new idea, but the ability to transform that idea into an actionable process that drives to business goals is best executed with methodologies and tools designed to

support it. For example, the SPI tool was developed by Sykes in response to the client's need to tie CSAT data to QA data and incorporate agent feedback to see the big picture about customer experience. Our client was open to new methodologies and tools, driving the adoption that contributed to achieving success.

- **Commitment**

Transforming customer service is not a short-term endeavor. Delivering the best customer experience takes commitment to a long-term partnership that is strong enough to withstand setbacks, negotiations, and organizational changes that can have ripple effects that impact the initiative, such as company reorganizations. Our client chose a partner with the best capability and expertise to help its contact center and customer service operation to raise the game for ONE team in pursuit of delivering the best customer experience.

## **YOUR MILEAGE MAY VARY**

The fundamentals outlined above for creating a trusted vendor partnership will not be found with any contact vendor. Sykes has been working continuously to define these fundamentals and replicate them across client engagements. Our focus on innovation supported by methodologies and tools is not commonly found across the vendor landscape. But what really set us apart is our people. Just like the client discussed in this paper, Sykes has an adaptive culture with smart people. By the same token, we've come to rely on the expertise of our clients about the nuances of their business to improve every engagement. Due to this, every engagement is unique. However, the fundamentals ensure that our clients have an advantage for finding success in achieving their top goals



## HOW TO EVALUATE CONTACT CENTER VENDORS FOR THE FUNDAMENTALS – A QUESTIONNAIRE

The following questions will help you assess the capabilities of a potential contact center vendor in relation to partnering with your institution to successfully transform the customer experience. You will also find several questions that will help you consider the commitment needed from your team for the initiative.

### RAISE THE GAME FOR ONE TEAM

- How does the prospective vendor view collaboration with your team?
- What structure would the prospective vendor recommend for strategy sessions?
- Who does the prospective vendor think should make operational decisions for the provision of customer service, including workflows, quality assurance processes, etc.?
- How will the two of you reach alignment for overall business goals that drive the transformation?

### COACH AND BE COACHABLE

- Does the prospective vendor inspire trust?
- What capabilities will the prospective vendor help your team improve?
- How does the prospective vendor react to suggestions your team makes during the evaluation process?
- How willing are you to share control of the initiative?

### TRANSPARENCY: THE GOOD, BAD AND UGLY

- Is the prospective vendor willing to adopt an open policy for informational exchange?
- Is feedback and data communicated from management all the way out to the agents?
- Does the prospective vendor embrace management by walking around?
- How does the prospective vendor connect people to the work?
- What process will need to be put in place to ensure there is strong, two-way communication?

### ALIGNMENT: TOP DOWN AND BOTTOM UP

- Is your senior management committed to the initiative?
- If you draft a mission statement for the initiative, what will it say?
- Do you view transforming the customer experience as a cost or an investment?
- What metrics does the prospective vendor recommend to support the goals for the initiative?

### CONTINUOUS IMPROVEMENT PROCESS

- How does the prospective vendor suggest that your team iterates toward successful outcomes?
- Does the prospective vendor have a thoughtful and measured approach to improvement?
- Will day-to-day operations be geared toward the achievement of J.D. Power certification?

## INNOVATION

- What methodologies and tools does the prospective vendor bring to the partnership?
- Can the prospective vendor share a use case about an innovative approach taken with another client?
- How will the prospective vendor analyze data to find new approaches?
- How open is your team to the adoptions of new tools and methodologies?

## COMMITMENT

- What level of commitment is your team and organization willing to make toward transforming the customer experience?
- What will you need to do to ensure that the institution remains committed to transforming the customer experience over time?
- What will you need from the prospective vendor to help you do this?



**Oldemar Madrigal Alvarez**, Director, Major Markets Account Management, An accomplished, results-driven professional with over 11 years of Call Center Experience. Oldemar has special expertise in using lean six sigma methodology to identify root causes for proper action planning. Team building is especially important to Oldemar. When he is not working, Oldemar enjoys tasting craft beers and playing with his son.