

How to Get Your Slice of the Corporate Pie

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July 2004

Does it seem that you're not getting your fair share of the corporate budget? Your contact center plays an important role in meeting the sales and service goals of the corporation. Your team is the face of the organization to many, if not most, customers. Yet it seems that your budget is constantly questioned. What's going on?

It could be that your approach is too internally focused. If all you talk about is costs for recruiting, hiring, training and equipment, senior management doesn't see how these costs are tied to the "big picture." You aren't linking the contact center to the goals of the organization. If you want to get your slice of the corporate pie, align everything you say and do with the overall business strategy.

In the best managed organizations, senior management makes certain that there is a single coherent strategy and that each part of the corporation knows how it is supporting that strategy. But in too many organizations, senior management doesn't make it clear what they expect from the contact center. Here are three steps to help you ensure that your call center supports the business strategy and gets the funding it deserves.

Step 1: Figuring Out the "Big Picture"

The first step is to understand the corporate strategy. Where do you find the corporate strategy? Key documents are frequently in the public record (e.g., annual reports, major speeches given by senior executives). Check out the internet - you can find out what senior management is telling the outside world about what is important to them as they increase shareholder value (a key measure for most senior executives' own compensation) and grow the business. Read the CEO's letter to the shareholders in your annual report. Generally, the annual report is chock full of information about where the company has been for the last year and where it is going over the next few years. In many companies, senior management updates Wall Street in a quarterly conference call; perhaps you can listen in, or access a recording of it on your website.

If your company is privately held or your executives don't spend a lot of time getting their speeches covered by the press, look to internal documents (e.g., annual presentations to the staff on "where we've been, where we're going").

Step 2: Translating Business Speak

OK. Now you have the "big picture." How do you translate the vague words found in executive communications into something that you can act upon? Let's look at an example from a presentation given at a financial services conference by a senior banking executive. This executive focused on three main points:

- Growing revenue faster than expense
- Reducing volatility and improving returns
- Focusing on customer service

- ◆ Continuous improvement
- ◆ Increased focus on customer satisfaction and increased customer loyalty

What's the translation for the call center?

Growing revenue faster than expense

Contact centers are by their very nature a relatively low cost customer contact point when compared with branches, retail stores or sales calls. You need to understand your cost and revenue per contact compared to other channels. This information will help you talk to senior executives in terms they understand – dollars and cents. What are some of the ways a contact center can grow revenues faster than expenses?

- ◆ Implement new programs to up-sell and cross-sell...and bring more dollars in the door from the same number of contacts.
- ◆ Provide customers with more self-service options through the web and IVR...and drive contacts to lower cost service options.
- ◆ Improve first contact resolution...and reduce the number of contacts required to complete a transaction.

Reducing volatility and improving returns

Generally a phrase like this refers to stock prices. But what does the contact center have to do with stock performance? Contact centers contribute to the underlying value of the corporation. And stock volatility is reduced and returns to the stockholders improve when the underlying value of the corporation is high. What can you do to increase the value of your contact center?

- ◆ Reduce turnover. Lower turnover will generally reduce the cost of operation and improve customer satisfaction. Experienced reps can handle contacts more efficiently, increase first contact resolution and thus increase customer satisfaction.
- ◆ Make the center a source of customer intelligence. Gather and synthesize customer information. Provide it to other parts of the organization to improve products and processes.

Focusing on customer service

Yes! Here's a goal all contact center managers know and understand. How do you translate it into concepts that senior management understands?

- ◆ Develop a continuous process improvement program for your center. Use Activity Based Costing (ABC) to determine what each major process (e.g., taking an application, providing claim status) costs today. Work with your reps and subject matter experts to refine the top ten processes. Cost out the improved processes using ABC, multiply by the number of contacts involved. You'll be surprised at the savings!
- ◆ Track the percentage of customers who are "very satisfied" or "satisfied" with service in your center with regular customer satisfaction surveys that are focused on the contact center. A survey that looks at the customer experience in general is not likely to lead to specific center improvement initiatives.
- ◆ Educate senior management on the value of a good customer experience in the contact center to the enterprise. Use market research (e.g., JD Powers, Jupiter Communications,

TARP) to support the connection between customer loyalty and the customer's contact center experience.

Step 3: Develop Your Budget

Once you know what senior management is focusing on, and you've figured out how you can contribute to the strategic goals of the organization, it's time to shape your budget pitch. The savvy contact center manager at Our Bank came up with this budget request summary:

"The contact center can help achieve the goals for Our Bank articulated by Mr. Big at the Big Bank 2004 Financial Services Conference:

■ *Growing revenue faster than expense*

- ◆ We will institute a cross-sell program in the center. We forecast that x% of our total contacts can be converted into sales of home equity lines of credit. We conservatively estimate that the average revenue from this effort will be \$yyy for each converted customer per year for a total of additional revenue of \$y,y00,000. There is a one time cost for program development of \$yy,000. The on-going annual cost for training and incentives is \$yyy,000.
- ◆ We will add three new self-service applications. Today, these contacts are x% of our center volume or xxx,000 contacts per year. These contacts currently cost us approximately \$x,000,000/year. We estimate that 30% of the contacts can be moved to self service channels. There is a one time cost for application development and equipment of \$xxx,000. The annual cost for application maintenance is \$xx,000. We expect a ROI within z months.

■ *Reducing volatility and improving returns*

- ◆ The contact center will contribute to the underlying value of the corporation by becoming a center for customer information. We will implement a CRM package with an analytics module that will allow us to track customer issues and understand the return on various marketing campaigns. There is a one time cost for application development, integration and equipment of \$xxx,000. The annual cost for application maintenance is \$xx,000.

■ *Focusing on customer service*

◆ *Continuous improvement*

- We will institute a continuous improvement program to examine our top ten processes. Our goal is to streamline these processes to reduce cost per contact by an average of 10%, that will result in an annual savings of \$xxx,000. The cost for this project is minimal.

◆ *Increased focus on customer satisfaction and increased customer loyalty*

- Research indicates that approximate 85% of all customer contacts occur with a contact center. Purdue research conducted in 2002 noted that to achieve customer loyalty (i.e., intent to repurchase), you must reach a customer satisfaction level of "very satisfied" (i.e., a score of 4.5 on a scale of 1 to 5).
- We will institute a customer satisfaction survey program targeted at the customer's experience in the contact center. This will provide us with a baseline upon which we

can build. The cost for program that is statistically relevant is \$xx,000. Results from this program will help us increase customer satisfaction and loyalty.”

You too can get a better response to your budgetary requests by linking them to your organization’s strategic goals. By changing your focus form “we need” to “we will contribute by,” you’ll be sure to get your slice of the corporate pie!

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Published in ICCM Weekly, July 13, 2004. <http://www.customerinterface.com/customerinterface/article/articleDetail.jsp?id=103589>