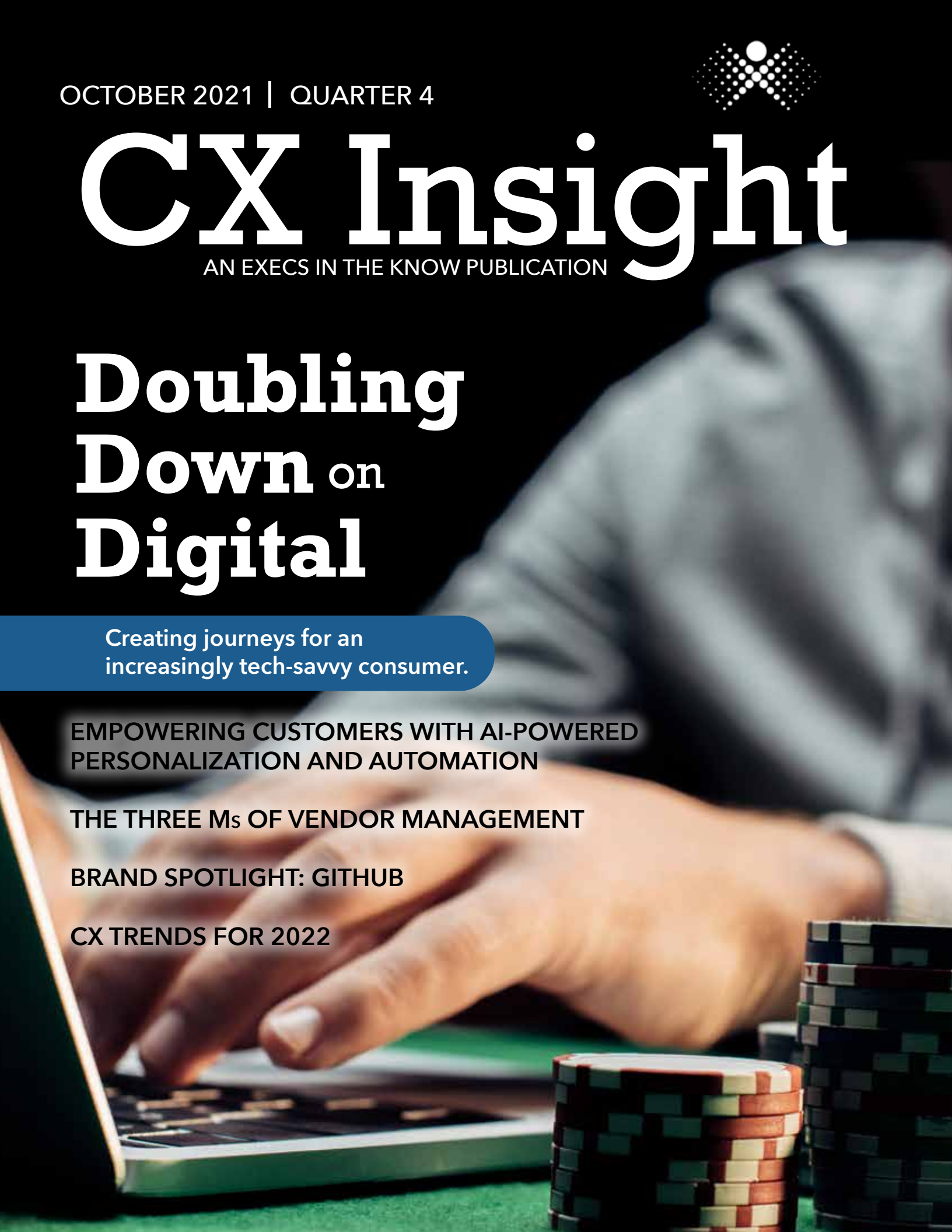# CX Insight

Doubling Down on Digital

Creating journeys for an increasingly tech-savvy consumer.

EMPOWERING CUSTOMERS WITH AI-POWERED PERSONALIZATION AND AUTOMATION

THE THREE Ms OF VENDOR MANAGEMENT

BRAND SPOTLIGHT: GITHUB

CX TRENDS FOR 2022

CX Insight

AN EXECS IN THE KNOW PUBLICATION

in this issue

Welcome to the October 2021 edition of CX Insight magazine, an Execs In The Know publication.

Delivering an Accelerated Move to Digital

The increased digitalization of CX operations and shift to smart service journeys has been in the works for years, but the onset of a global pandemic in early 2020 has accelerated this transition. Not only are companies increasingly adopting new channels, new tools, and new methods for capturing and utilizing data, but consumer behaviors and attitudes toward digital adoption have also changed dramatically, particularly when it comes to self-service. Many consumers have moved past the "getting comfortable" stage and onto the "got to have it" stage, while just as many companies are realizing the value of digital CX in terms of program efficiency and performance.

In this issue, we investigate increased personalization through the lens of artificial intelligence (AI), we review the impact of the pandemic on digital adoption, and we reiterate a few crucial best practices for achieving improved vendor performance. We also explore a variety

of up-and-coming business process outsourcing sites, and find out which CX topics might be trending in 2022.

Additionally, this issue contains an insider's look at Github through a special Brand Spotlight featuring Sue Morris, Vice President, Customer Service, as well as a Q & A with Thomas Siebert, Director, National Customer Engagement Sales & Support Center at FinishMaster, Inc. As always, we hope you'll find these and our other articles both informative and inspiring, especially as you develop and refine your own future digital CX plans.

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Empowering Customers to Take Control of Their Journeys

Through AI-powered Personalization and Automation

Contributions by Vas Alli, Chief of Staff & CX Strategy Lead for Verizon

Vas Alli
Chief of Staff & CX Strategy Lead

The use of Artificial Intelligence (AI) for personalization and predictive automation has been around for some time, but has accelerated to the top of organizational priorities since the global pandemic. Not surprisingly, investments in these technologies have increased exponentially as automation became a necessity overnight. In fact, the call center AI market is forecasted to grow from 800 million USD in 2019 to 2.8 billion by 2024.[1]

Despite this growth, many organizations are still in the early stages of implementation, with three out of four respondents in a recent Harris Poll survey[2] stating they have been working with AI for two years or less.

> **"CREATING AUTOMATION AND AI-DRIVEN SOLUTIONS SHOULD NOT BE SIMPLY TO DRIVE COST OUT OF THE BUSINESS. IT IS ABOUT EMPOWERING EACH CUSTOMER TO TAKE CONTROL OF THEIR OWN JOURNEY."**
>
> **Vas Alli, Chief of Staff & CX Strategy Lead for Verizon**

The purpose of this article is to establish the foundational principles for AI-driven personalization and predictive automation, the underlying key to success in contact centers, CX use cases, and what organizations should prioritize as they continue their digital transformation journey. It includes valuable insights throughout from Vas Alli, Chief of Staff & CX Strategy Lead for Verizon.

In contact centers, cost reduction has often been the primary driver for investing in any type of process optimization, including AI/automation. While lowering the cost-to-serve has historically been the primary investment criteria, this paradigm is shifting. According to the same Harris Poll survey, improving the CX was cited as the leading driver for AI implementation by 53% of respondents, ahead of reducing costs, indicated by 48% of respondents.

By putting customer experience ahead of cost reduction, true transformation can and will occur and the efficiencies will follow. This is a major signal for organizations to think differently about their AI strategy, re-focusing their efforts on prioritizing CX, even ahead of straight cost transformations.

Vas emphasizes that anyone on a digital transformation journey should always ensure that the customer is at the center of every decision.

DEFINING AI, PERSONALIZATION, AND PREDICTIVE AUTOMATION

If you asked ten leaders how they define AI, personalization, and predictive automation, you would easily get ten different definitions for each. To be fair, the "definitions" have also changed over the years as the technology and use cases have evolved. What has not changed is

that no matter the definition, these technologies enable better experiences for both customers and employees.

For purposes of this article, we will define each as the following:

ARTIFICIAL INTELLIGENCE (AI) is the means by which machines leverage large (often disparate) sets of data and generate either insights for decisioning or proactive business processes to support customers and/or agents. Simply put, AI is a tool that can do things a human can – but at a scale, precision, and speed not achievable by humans.

AI-DRIVEN PERSONALIZATION is the output of leveraging those insights to deliver a unique experience specific to that customer. It is the ability to make offers, provide information, and adjust the interaction based on their specific needs, behaviors, and/or sentiment. This can be accomplished by directly curating the customer's experience, or via agent augmentation to better assist the customers at any point in their journey.

PREDICTIVE & PROACTIVE AUTOMATION is the ability to leverage AI (at scale) and "automagically" implement that within the context of the interaction. Predictive automation is exactly as it sounds – using data and analytics to predict what the customer needs and determining how best to leverage that insight. Proactive automation is taking that data and actively taking the next step to augment the customer or agent experience.

What does this look like in practice?

Personalization can mean different things. The following bullets provide a few examples:

- The simplest use case is **greeting a customer by name**.

- One-to-many personalization is what one might think of with traditional marketing approaches, in which **outgoing marketing efforts are targeted and optimized**, based on demographics, customer type, product preferences, and the like.

- At scale, brands can leverage AI to **curate data about the customer's preferences and purchase history to make a personalized offer** specific to them. This is 1:1 personalization.

- Or, assuming product shipping times have been delayed, AI can predict which customers will be contacting the organization. **Proactive measures can be taken to notify the customer in advance**, and information about the delays can be added to inbound contact channels such as IVRs, an app, websites, and chatbots.

- Similarly, perhaps a mobile customer has added a new service to the account, and this is the first billing cycle since the account change. AI **anticipates the customer may call about their bill and serves up information to the customer or agent**. As the agent receives the call, they immediately anticipate the reason for the call so they can quickly address the issue. Or, **in anticipation of that call, an outbound contact is made to the customer**. For example, "I know you recently added services to your account. Since this is the first billing cycle, I wanted to ensure you understand your invoice."

Across all these examples, data is leveraged to personalize the interaction and ultimately create a better overall experience for the customer.

"YOU ARE CURATING AN EXPERIENCE THAT IS FOR THE CUSTOMER, NOT YOUR BRAND … THE WINNING ASPIRATION IS TO ENSURE THE EXPERIENCE IS SIMPLE, PERSONALIZED, AND EFFORTLESS."

**Vas Alli, Chief of Staff & CX Strategy Lead for Verizon**

THE KEY TO SUCCESS

Vas reinforces that the intent of any implementation should be to create truly exquisite experiences that reduce friction and make it easier to do business.

To make this a reality through a customer-first strategy, Vas explains that there is a delicate balance that must be considered when developing use cases.

This balancing act must take into consideration three vectors when designing these solutions:

COMPLEXITY - EMOTION - VALUE
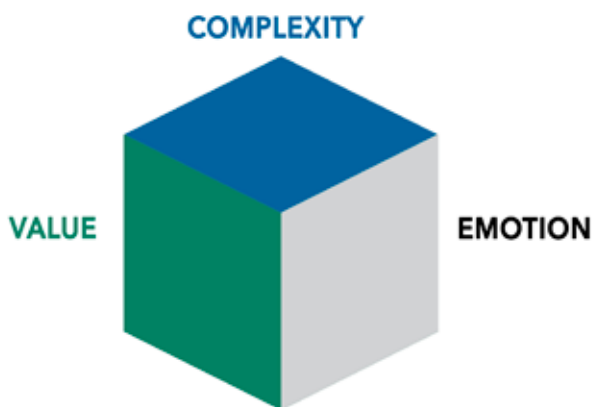
The level of each will dictate which channel of interaction is best suited and how the experience is orchestrated to deliver the least amount of friction for the customer.

Assume a transaction is high value, complex, and potentially very emotional. During the pandemic, for example, tragically, many were out of work, impacting their ability to pay their credit card bills. Customers contacting their credit card companies likely had a high degree of stress, and the transaction itself was clearly high value and imbued with complexity. Forcing these customers through a digital self-serve channel is not the ideal solution. What would be helpful is for AI to provide information to agents to make this as smooth and delicate as possible for the customer. This is a much different journey than one with less emotion or complexity, such as wanting to know the minimum payment due.

Developing and maintaining customer trust is the lynch pin to the success of any strategy. Customers with high value, complex, and emotional transactions are likely to distrust an AI-powered solution. Even if it is a top call driver, it does not mean customer-facing automation is the right answer. Rather, enabling agents to better serve those customers will go much further and be more appropriate.

Customer trust can erode quickly and be difficult to regain, so customers must be given a reason to trust the brand. The way to accomplish this is understanding the emotion, complexity, and value of interactions before determining what and where to automate.

IMPLEMENTING FOR LONG-TERM SUCCESS

There is increased pressure by organizations to stay ahead of the competition.

Many brands were at some stage of their digital transformation journey prior to the global pandemic, but this black swan scenario acted as a catalyst for accelerating these strategies. There is no reason to believe that this trend will not continue and, in fact, digital transformation will likely continue to accelerate.

Organizations should have a clear rhyme and reason for why they are deploying AI and which interactions they are automating – never losing sight of their intent: to empower customers to own their own journeys.

With that being said, how do organizations ensure they are set up to succeed?

- **Align the Culture With the Vision** – Peter Drucker's well-known phrase, **"Culture eats strategy for breakfast,"** certainly applies in this context. The organization must have the right culture, with leadership behind it, to drive this type of transformation. If the organization is not ready for the required investments, or is not deeply committed to ensuring the customer's journey is an elegant one, the best strategy will not succeed, and may do more harm than good.

In this *Forbes* article[3], Kartik Hosanagar, Professor of Technology, Digital Business and Marketing at the Wharton School and author of the A Human's Guide to Machine Intelligence[4], was quoted as saying:

"What separates the AI projects that succeed from the ones that don't often has more to do with the business strategies organizations follow when applying technologies than the ability of the technology itself to transform the business. Many of the problems are less about the tools and more about leadership. Most of the failures to harness the power of AI lies in human behavior, management understanding, and the failure to mesh algorithmic capabilities into organizations, business models, and the culture of the business."[5]

So, organizations must be honest with themselves and determine if the culture and organization are ready. If they are not, there is a very real risk that their transformation will not even get off the ground and possibly even fail.

- **Specify the Problem** – Ensure the organization has clarity and agreement on the actual problem that needs to be solved. A common pitfall is organizations attempting to address a problem that should not be solved. For example, take the high emotion/high value/ high complexity transactions discussed above. While a customer-facing solution may seem like the best implementation, consider this from the customer's perspective. The more appropriate solution may be to use AI not to remove redundancy but to augment call center staff and help the agent be more focused on providing thoughtful/empathetic responses.

   Customers are increasingly demanding more empathetic brand interactions, and AI can play a pivotal role in giving your agents super powers by providing them with relevant information faster or even automatically running diagnostics/troubleshooting. Either way, the goal is the same – to provide the most elegant experience for your customer, and how you go about doing that is the key.

- **Clearly Articulate the Vision and Strategy** – Once the problem statement is articulated, clearly define the vision for the desired experience. In other words, what does that new and improved experience look like for the customer? Once there is alignment on the vision, develop a clear articulation of how that vision will be realized. No organization has unlimited budget or resources, so developing
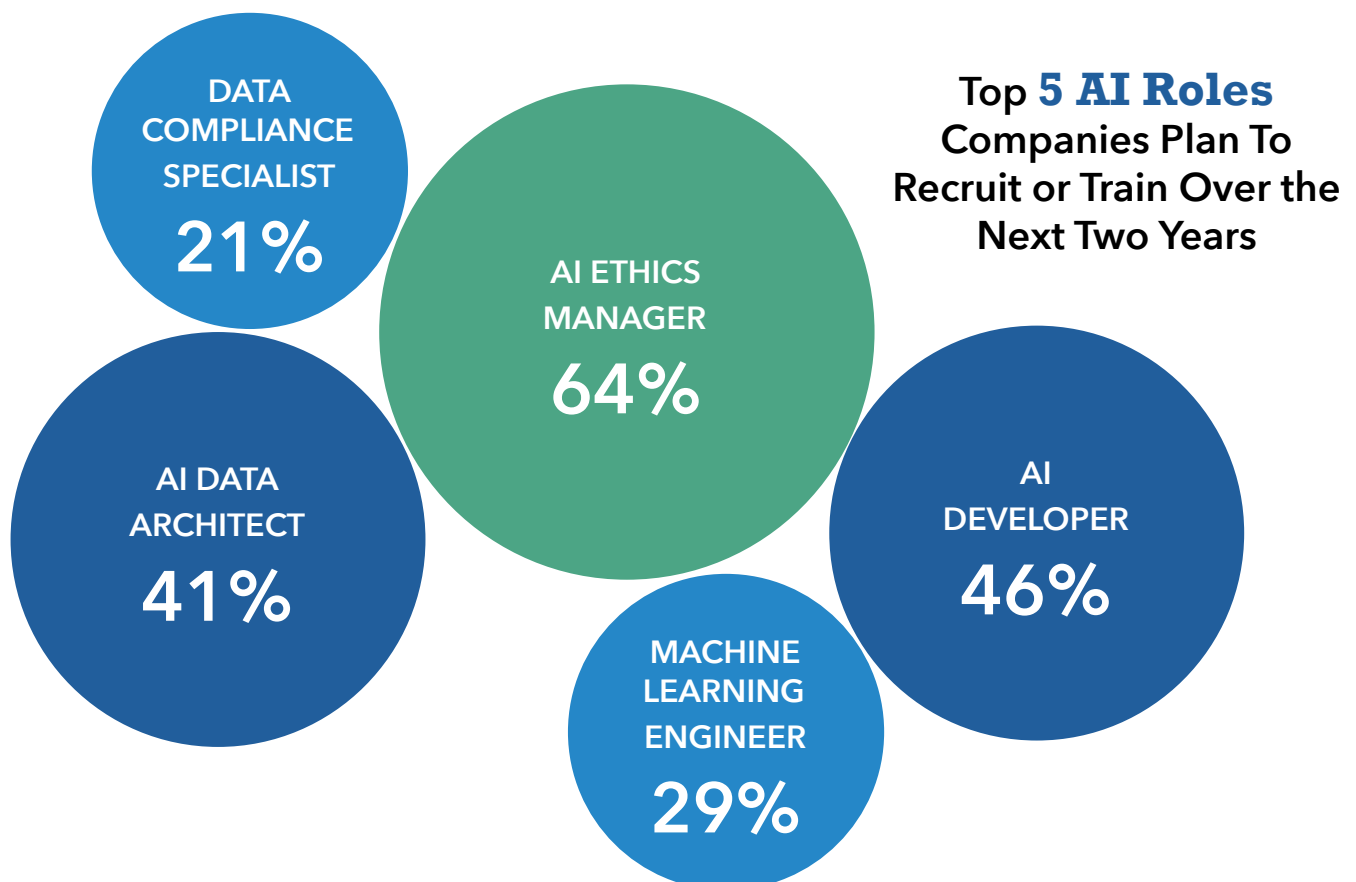
a clear strategy with success measures is critical. The challenge, which will be discussed further in this article, is to ensure the strategy is not overly complex, so much so that the implementation is delayed or, worse, never started.

- **Create an Organizational Structure that Supports the Strategy** – The days of operating in silos are over, and AI automation efforts are not for the faint of heart. They require the right leadership and organizational structure to manage the complexities of developing and launching a truly transformational digital program. In this _Forbes_ article[6] and accompanying survey, only 5% of companies surveyed currently have a chief AI officer. However, two-thirds of respondents expect their organizations will create a C-suite role to own the AI strategy for the company within one to three years. Additionally, many companies are creating supporting roles, such as AI ethics managers. The figure below shows the roles leaders

are prioritizing. In short, ensuring the right organizational and leadership structure is essential.

- **Establish Specific and Measurable Success Metrics** – For any strategic initiative, establishing what success looks like is critical. How does the organization know if the AI/digital transformation efforts are successful? If the vision is simply to deflect calls out of the contact center, one measure of success may be the actual call deflection rate of that specific call type, successfully diverted via automation. Note the word "successfully."

For any personalization or automation initiative, Vas reminds leaders, **"The goal should be to reduce the cognitive load of the consumer and alleviate any points of friction in that consumer's journey. Ask yourself, 'Did we make it easier to do business with us?'"** This would be measured via the voice of the customer to understand satisfaction and level

DATA COMPLIANCE SPECIALIST

21%

AI ETHICS MANAGER

64%

Top **5 AI Roles** Companies Plan To Recruit or Train Over the Next Two Years

AI DATA ARCHITECT

41%

MACHINE LEARNING ENGINEER

29%

AI DEVELOPER

46%

of effort, in addition to internal data/analytics that measure the success of the solution.

- **Start off small; remember, it is a marathon, not a sprint** – It can be tempting to "go big" with these transformation efforts. Senior leadership, for example, may issue aspirations to "revamp the E2E customer support journey." When starting off, the best approach is to start small, gain experience, and realize quick wins. Begin with low-risk investments, creating pilots to experiment with before rolling out to the broader organization and prior to transforming more complicated tasks. Continually monitor, measure, calibrate, and adjust to refine that experience when it is evident that customer adoption is low, it is not working as designed, or the result is not meeting objectives. This does not mean organizations should not "think big" but, instead, select a few meaningful use cases that will demonstrate success and prove the value. By gaining quick wins with small projects relative to the organization, confidence is built in the strategy and key learnings are gained for tackling larger-scale transformations.

IN CONCLUSION

Leveraging AI to empower customers to own their journeys through personalization and automation is here to stay. While most organizations are early in their journey and

it may be a daunting endeavor, the longer organizations wait to evolve, the harder it will become. Professor Hosanager was also quoted in the _Forbes_ article[7] as saying, **"The key message is leaders need to understand enough about how AI works to strategically align it with value creation and make smart investment decisions."**

He sums up the message, reiterating what is outlined earler, advising leaders to:

- View AI as a tool, not a strategy

- Take a portfolio approach to AI projects that balances quick wins with fundamental process redesign

- Grow the talent base by re-skilling existing employees and hiring new talent

- Focus on the long term by sticking with AI through inevitable early failures

- Be aware of new risks AI can pose and manage them proactively

Throughout all of it, Vas reminds leaders that these transformational agendas are not for the faint of heart, and those brands that maintain a long-term commitment to the customer experience are the ones who will ultimately succeed.

Links:

1 https://www.marketsandmarkets.com/Market-Reports/call-center-ai-market-263925467.html

2 https://www.globenewswire.com/news-release/2020/02/27/1991835/0/en/Study-Reveals-Hidden-Drivers-of-AI-Adoption.html

3 https://www.forbes.com/sites/forbesinsights/2020/05/08/realizing-the-growth-potential-of-ai/?sh=2f25a59333f3

4 https://wsp.wharton.upenn.edu/book/a-humans-guide-to-machine-intelligence/

5 https://www.forbes.com/sites/forbesinsights/2020/05/08/realizing-the-growth-potential-of-ai/?sh=223aa47733f3

6 https://www.forbes.com/sites/insights-ibmai/2020/06/26/the-ai-learning-curve-by-the-numbers/?sh=2217bc427880

7 https://www.forbes.com/sites/forbesinsights/2020/05/08/realizing-the-growth-potential-of-ai/?sh=2f25a59333f3

1 IN 5 PEOPLE

EXPERIENCE MENTAL ILLNESS

(ACCORDING TO THE CDC)

Our community has always been one that cares deeply – not only for the advancement of our industry but also for each other and the important issues that face our wider world.

Execs In The Know has created a new program called Leading with Impact. Leading with Impact goes beyond the boardroom with the goal of projecting time, resources, and attention to the issues that matter most to our community members, as well as their friends, family, and colleagues.

As part of our Leading with Impact initiative, 2021 and 2022 are focused on mental health awareness and helping to remove the stigma so often associated it. We're challenging our CX community to take a stance and become a stigma-free leader, co-worker, friend, and family member.

Leading with **IMPACT**

Learn about Leading with Impact and what it means to be stigma-free, take the two-question stigma-free quiz, and pledge to be stigma-free at:

bit.ly/leading-with-impact

The Three Ms of Vendor Management

Measuring, Monitoring, and Managing to High Performance

by Execs In The Know

Organizations choose to outsource CX operations for many reasons — cost, scalability, expertise, business continuity, and global coverage, to name a few. Choosing the right partner is often a daunting challenge because organizations are entrusting that entity with its most precious asset – its customers. Outsourced partners become an extension of the organization, so it is a huge decision and responsibility. When organizations go down the path of choosing outsourced partners, they typically spend significant time and resources in the search, procurement, contracting, and onboarding of that partner. But that is just the first step – Vendor Management Organizations (VMO) and roles are there to ensure there is alignment between the organizations, with the customer front and center. What happens after a partner is onboarded is critical – effective processes and management structure must be established to ensure customers continue to receive the service that client organizations expect to be delivered.

In "normal" times, vendor management is important, but given the events over the last 18 months, it becomes even more crucial. Execs In The Know, in partnership with COPC Inc., uncovered some interesting data in its 2020 Corporate Edition of the Customer Experience Management Benchmark (CXMB) Series.[1] As seen in Figure 1 (next page), over 50% of respondents said that the COVID-19 pandemic negatively impacted their outsourcers' ability to meet strategic goals. And, only 21% were very satisfied with outsourcers' performances.

Has the COVID-19 pandemic negatively impacted your outsourcer's ability to meet your strategic goals?

- Yes — 52%
- No — 42%
- Don't Know — 6%

How satisfied are you with your outsourcer's performance?

- Very Satisfied — 21%
- Satisfied — 56%
- Neither Satisfied nor Dissatisfied — 17%
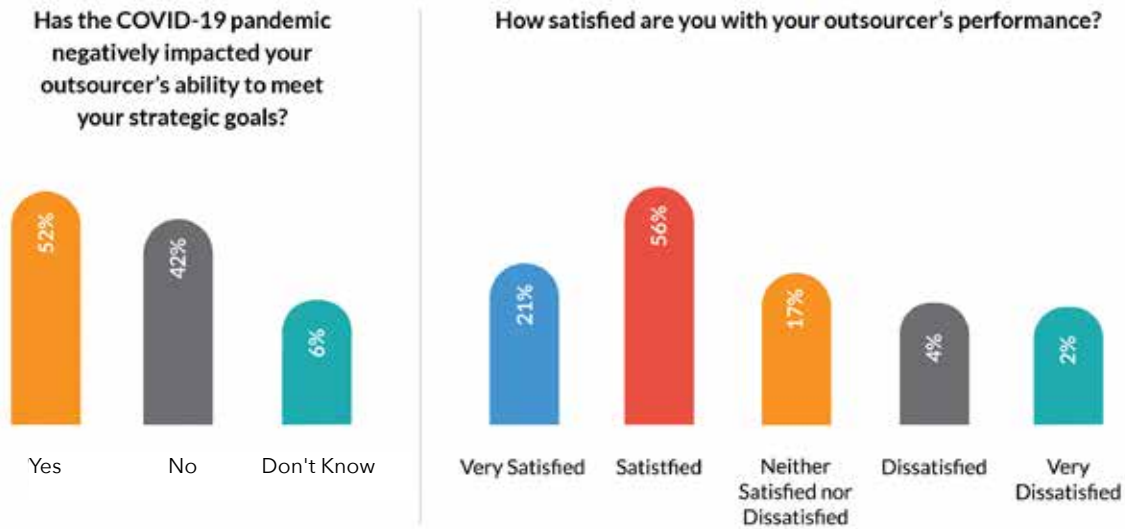- Dissatisfied — 4%
- Very Dissatisfied — 2%

Figure 1

While on the surface it might be convenient to place responsibility squarely on outsourcers, organizations and VMOs are also accountable. They should look inward to determine how they can better support, manage, and partner with their outsourced partners to achieve desired performance levels.

So, this article will break down the Three Ms of effective vendor management:

MEASURING   **MONITORING**   **MANAGING**

1. MEASURING PERFORMANCE

Measuring performance seems obvious because, as they say, "You can't manage what you don't measure." So, the first step in driving high performance among your vendors is measuring it. There is typically no shortage of metrics being measured for outsourcers, but there are some keys to doing it right to achieve results.

ESTABLISH OUTCOME-BASED METRICS VS ACTIVITY METRICS – Focus on the desired outcome versus specific activities. What is meant by an "activity metric"? For example, creating a metric for how many quality evaluations outsourcers should be doing is an activity metric. Instead, the outcome that is likely desired is high Issue Resolution and Customer Satisfaction. If outsourcers are focused on "activities" versus outcomes, performance will often not improve as it becomes about "checking the boxes" of said activities. Focusing on outcome-based metrics will not only simplify the metric, but will put the responsibility on the outsourcer to determine HOW they will achieve them.

DON'T SABOTAGE PERFORMANCE – Ensure you don't have metrics or expectations that potentially sabotage (or conflict with) another. For example, if Average Handle Time is disproportionately prioritized by vendor managers, be aware of the domino effect it could have on quality or customer experience if it is perceived as most important. Additionally, having a handle time target that is not realistic based on the actual time required to resolve issues effectively will drive adverse behavior. Efficiency should be measured, but there should be a balance and appropriate targets established.

CREATE A BALANCED SET OF METRICS WITH CLEAR TARGETS – Continuing the thought from the previous section, it is all about balance. While customer experience is always a focus so, too, is efficiency, quality, service, and cost. In the past, many believed it difficult to meet customer experience targets while also minimizing costs. That has proven to be untrue over the years and should be reflected in metrics. Targets also need to be clearly understood by all parties, including how they are calculated and their source. And, most important, ensure targets are established based on sound logic, often from the customer's perspective. For example, data should be analyzed to determine what customers expect and at what point a decline in performance will negatively impact the experience. This applies to handle time, service level, and abandonment rate, just to name a few. In short, outsourced partners and all involved must understand the "why" and "how" of each metric.

Example: Balanced Metrics with Targets, Calculation, Source, and Frequency

Type	Metric	Target	Calculation	Source	Frequency
Service	○ Service level ○ Avg. speed of answer ○ Abandonment rate ○ On time ○ Backlog				
Quality	○ Customer critical accuracy ○ Business critical accuracy ○ Compliance critical accuracy				
Efficiency	○ Average handle time ○ # emails per hour				
Customer Satisfaction	○ Top 2 box ○ Top box ○ Bottom box				
Issue Resolution	○ Issue resolution rate				

2. MONITORING PERFORMANCE

Measuring performance is just one piece of the puzzle. Once the right measurements are in place, implementing a consistent and structured approach to monitoring performance is the next critical step. For VMOs to effectively monitor and assess performance, the following are key elements:

ENSURE DATA IS ACCESSIBLE AND CONSISTENT – First, data must be readily accessible, consistent, and accurate. If data being measured and monitored lacks integrity, partners lose trust in it, leading to conversations about the accuracy of the data versus how to improve performance. Create a user-friendly dashboard or repository that is relevant to those monitoring and measuring performance. There should be no "surprises" at the end of a reporting period or discrepancies in data.

ESTABLISH AND CONDUCT CONSISTENT BUSINESS REVIEWS – Monitoring performance goes beyond reviewing data and metrics. VMOs need to treat outsourced partners as just that – partners. So, a structured approach for reviewing performance on an ongoing basis should be established. There may be different levels of reviews, but they should be clearly outlined with expectations understood by all parties. For example:

- **Daily** operational reviews with workforce management personnel to assess staffing or volume challenges.

- **Weekly** business reviews to assess month-to-date performance of key metrics, action plan progress, and adjustments that need to be made.

- **Monthly** business reviews to review key metric performance, month-over-month trends, and action plans based on performance for the following month.

- **Quarterly** business reviews to assess overall results for the quarter, lessons learned, and any key strategic decisions or adjustments to be made.

It should be noted that, while the VMO should establish the structure, outsourced partners should be compiling the data and driving these discussions.

IMPLEMENT EFFECTIVE AND HOLISTIC QUALITY MONITORING PROCESS – When one hears the term "monitoring," the immediate thought is, typically, "quality monitoring." That is, indeed, a critical process to monitoring performance. The mistake that many organizations make is implementing a quality process required by their outsourced partners to follow that does not actually drive performance or provide valuable insights. So, organizations and VMOs must create quality processes that allow for monitoring AND insights at all levels. One size does not fit all but, generally, there should be two distinct approaches to quality monitoring:

- **Agent level** – Team leaders and supervisors should be responsible for monitoring the performance of their agents and teams. As discussed previously, this does not mean requiring vendors to monitor a certain number of evaluations per agent. It means creating quality forms to be used by Team Leaders, ensuring they are calibrated and trained to score correctly and, most importantly, that they use these results appropriately in coaching and developing agents.

- **Business level** – Monitoring at the business level means evaluating a random sample of transactions at the overall program or site level to get a clear and accurate picture of overall performance. Best practice is for organizations and VMOs to create centralized quality teams that are conducting these evaluations, so it is completely unbiased. These results capture not only agent behavior, but also issues outside the agent's control, such as policies, processes, or technology issues.

Most important is to ensure quality forms being used at either the agent or business level are focused on the items most critical from the customer, business, and compliance perspective. Keep it focused on truly critical attributes versus the "nice to haves" that will not have a significant impact on performance. Refer to this article[2] for more detail about effective quality monitoring programs.

3. MANAGING PERFORMANCE

The last, but most important piece of the puzzle, is effectively managing performance as well as the relationship. The latter is even more important with the new "normal" the industry is experiencing. Organizations were forced to heavily rely on outsourced partners at the beginning of the pandemic for business continuity planning, and the shift to Work-From-Home changed the entire management landscape for everyone. There are many critical factors to managing partners' performances, but the most critical, especially now, are:

REQUIRE AND DRIVE A STRUCTURED PERFORMANCE IMPROVEMENT PROCESS – As previously mentioned, consistent and structured business reviews are essential to monitoring performance. However, those reviews are only productive if a structured process is strictly followed for improving overall performance. This involves discipline in uncovering root cause for any performance issue and creating action plans which directly impact root cause. And, finally, a closed-loop process must be followed to manage those action plans to completion and adjusting when not effective. Most important, the VMO must hold the partner accountable, as well as their own organization.

PRIORITIZE COLLABORATION AND RESPECT – When asked what has changed the most about working with outsourced partners, many leaders have emphasized the critical importance of treating these relationships as true partnerships. Organizations and VMOs must recognize that their partners are experiencing many of the same
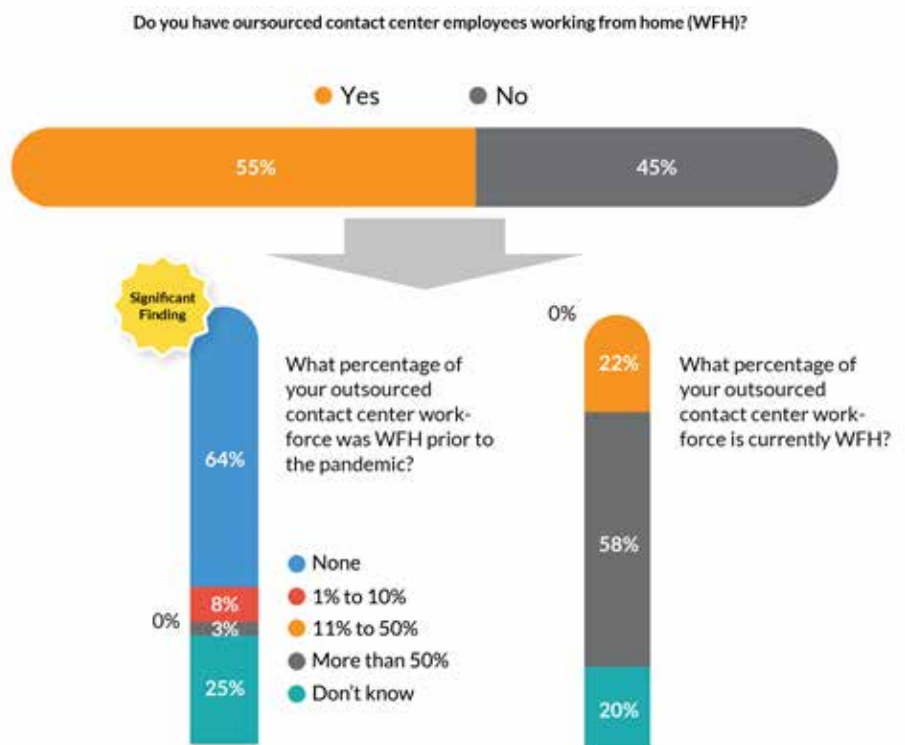

Figure 2

challenges they are, so working together to solve problems is critical. With regard to costs, it is inevitable that cost structures may change; and although more staff are working from home, that does not necessarily reduce costs for outsourcers. So, being sensitive to these challenges and creating an environment of mutual trust and respect will go a long way to managing these relationships and, ultimately, performance.

CREATE ROBUST VIRTUAL MANAGEMENT CAPABILITIES – Conducting site visits quarterly or semi-annually have long been a standard operating procedure in managing outsourced partners. COVID-19 has prevented these visits, but that does not diminish the importance of these "visits." The most successful organizations have created a standardized, virtual approach to these visits. While not the same, the spirit is, indeed, the same. Vendor managers and leaders continue to spend time remotely observing agents, meeting with operational leaders, and assessing each key process such as Workforce Management and Quality.

Additionally, considering the increase in Work-From-Home (WFH) staff, virtual training and coaching processes must be formalized, since WFH is not a temporary situation.

As seen in Figure 2, which is a chart from the 2020 CXMB Series Corporate Edition report, over 50% of those surveyed have outsourced employees working from home, a significant increase following the pandemic.

In Figure 3, at right, over 60% say they will not revert to "pre-pandemic" staffing models.

This means that organizations and VMOs need to work with their partners to ensure training material and delivery meet the needs of remote workers. Furthermore, outsourced partners need to ensure they have structured approaches in place for virtually monitoring and coaching agents.
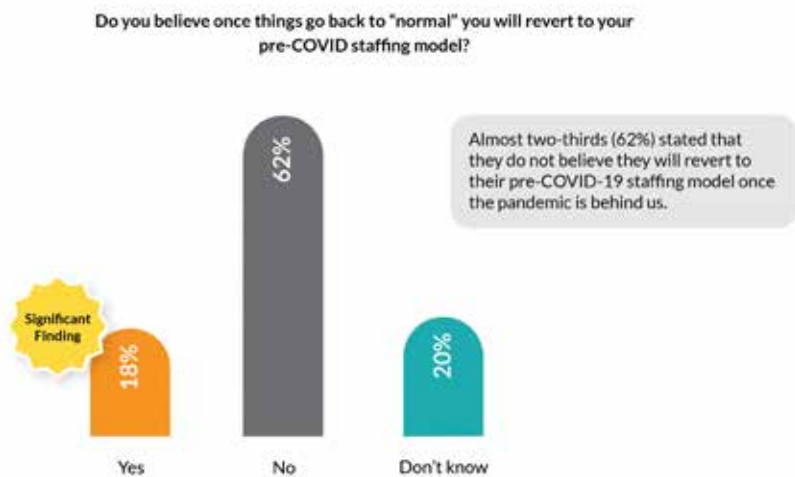

Do you believe once things go back to "normal" you will revert to your pre-COVID staffing model?

62% 18% 20%

Significant Finding

Almost two-thirds (62%) stated that they do not believe they will revert to their pre-COVID-19 staffing model once the pandemic is behind us.

Yes   No   Don't know

Figure 3

Summary

Outsourced partners are critical to many organizations' success. As such, effective vendor management is more important than ever. Now is a good time to take a step back and assess how VMOs are structured, and if the the Ms reviewed in this article are producing desired results. Measuring, monitoring, and managing performance sounds straightforward, and, in many respects, it is … but as the industry continues to change and adapt, so, too, should VMOs in each of these key areas. ✳

Links:

1   https://execsintheknow.com/wp-content/uploads/2021/02/CXMB-Series-2020-Corporate-Edition_Full-report_final_sent.pdf

2   https://execsintheknow.com/reimagine-your-quality-approach/

CX Trends for 2022

Modernizing Your Customer Experience Analytics with Real-Time Intelligence

By Tony Ayaz, CEO, Scuba Analytics

Maintaining wallet share in an increasingly noisy digital marketplace requires real-time intelligence as a top priority.

At the height of the global pandemic, brick-and-mortars closed down, supply chains were disrupted, and life changed as we knew it. Our ability to interact with businesses to conduct our day-to-day lives changed overnight. As a result, we saw a sweeping transition[1] into a digital-first world, for just about everything.

Research by McKinsey[2] shows the COVID-19 pandemic accelerated the digitization of customer interactions by several years, with more than 80% of all customer interactions currently occurring digitally versus face-to-face or over the phone.

As consumers increased their dependence on digital interactions with brands, their expectations for online experiences became more stringent as well. In response, organizations are increasing their focus on exceptional, personalized experiences for their customers in order to drive growth and improve retention.

A survey conducted by SuperOffice[3] showed that nearly 50% of respondents said improving CX was their top business priority, and research by Walker validates the statement, showing that by the end of 2020, customer experience overtook price[4] and product as the key brand differentiator.

Embracing End-to-End Customer Experience Intelligence

With a changing tide of adapting a customer-centric approach, the ways in which we collect and organize customer's digital interactions need to evolve at the same break-neck pace.

Historically, digital initiatives to improve the customer journey has meant adopting new components of technology or adding new integrations to existing technology. These changes, usually led by a single business unit or function (such as marketing or customer service), can leave critical business data in a silo, difficult to access, and often only representing one part of the customer experience, resulting in short-sighted CX changes.

Take, for example, deploying customer satisfaction surveys. Integrating surveys into a workflow can be a powerful tool, but without behavioral analytics for broader context, these insights are more of a time capsule of how the customer felt about the experience or relationship at the time they were surveyed. Without analyzing this data in conjunction with other digital touchpoints connected to time-series data and user events, companies can't identify what a customer actually did, or how they were positively or negatively influenced by specific elements of the experience.

Research by McKinsey indicates that organizations who rely solely on survey-based CX measurements are often unimpressed by the clarity surveys bring to an organization, with only 16%[5] of organizations feeling confident that surveys address the root causes of poor performance.

Customer-centricity requires a holistic assessment to address problems and unmet needs. When customer data can't be mined effectively across all functions of an organization to make connections between all customer interactions, we are only able to look at a fragment of the scenario. Thus, the ability to analyze data across silos and disparate sources has become a critical capability in creating the complete end-to-end picture of the customer experience.

Dynamic Data Exploration Across Functions Provides Different Perspectives

As customer experience and customer empathy have become a north star for companies, innovation of technology platforms to orchestrate and manage end-to-end customer data is a top priority.

Organizations that can analyze data holistically have more visibility into what happens across touch points, and insights can be derived beyond "what happened" to "why" to help identify opportunities for improvement, as well as innovation.

Take, for example, the sports news publication, *Bleacher Report*, which earns advertising dollars from its high-performing, owned and operated (O&O) audience and social reach.

When *Bleacher Report* began noticing dips in user engagement and retention, the organization needed to take a cross-departmental approach to improving the CX experience in order to protect its bottom line.

The first step for *Bleacher Report* was to streamline the analytics process by retiring several expensive and niche solutions and replacing their "Frankenstack" with a single tool that offered real-time visibility into customer data. The adjustment to a single tool allowed *Bleacher Report* to reduce time-to-insights from months to weeks.

By analyzing data inside a single pane of glass, *Bleacher Report* could more easily see friction points along the customer journey. For example, when users onboarded with the app, those who selected two sports teams to follow were more likely to churn than those who selected four sports teams to follow. And, with more accessible and reliable data, they could easily create function-specific dashboards to increase collaboration between content, sales, and business development teams to better plan and prioritize new content, which led to even more increased user retention. (Learn more!)[6]

Real-Time Insights Drive Competitive Advantage

More than just having access to customer data is the importance of data quality, and one of the key factors in data analysis is the age of the data.

It generally takes somewhere from one to three weeks to build a new data pipeline (if it's the sole responsibility of a data engineer). However, competing priorities contribute to the inability to build new pipelines quickly, and can delay when data becomes usable for decision-making.

This lack of bandwidth often means that data is weeks or months old by the time the average organization builds, analyzes, and then can take action on insights, which puts a company in a reactive position.
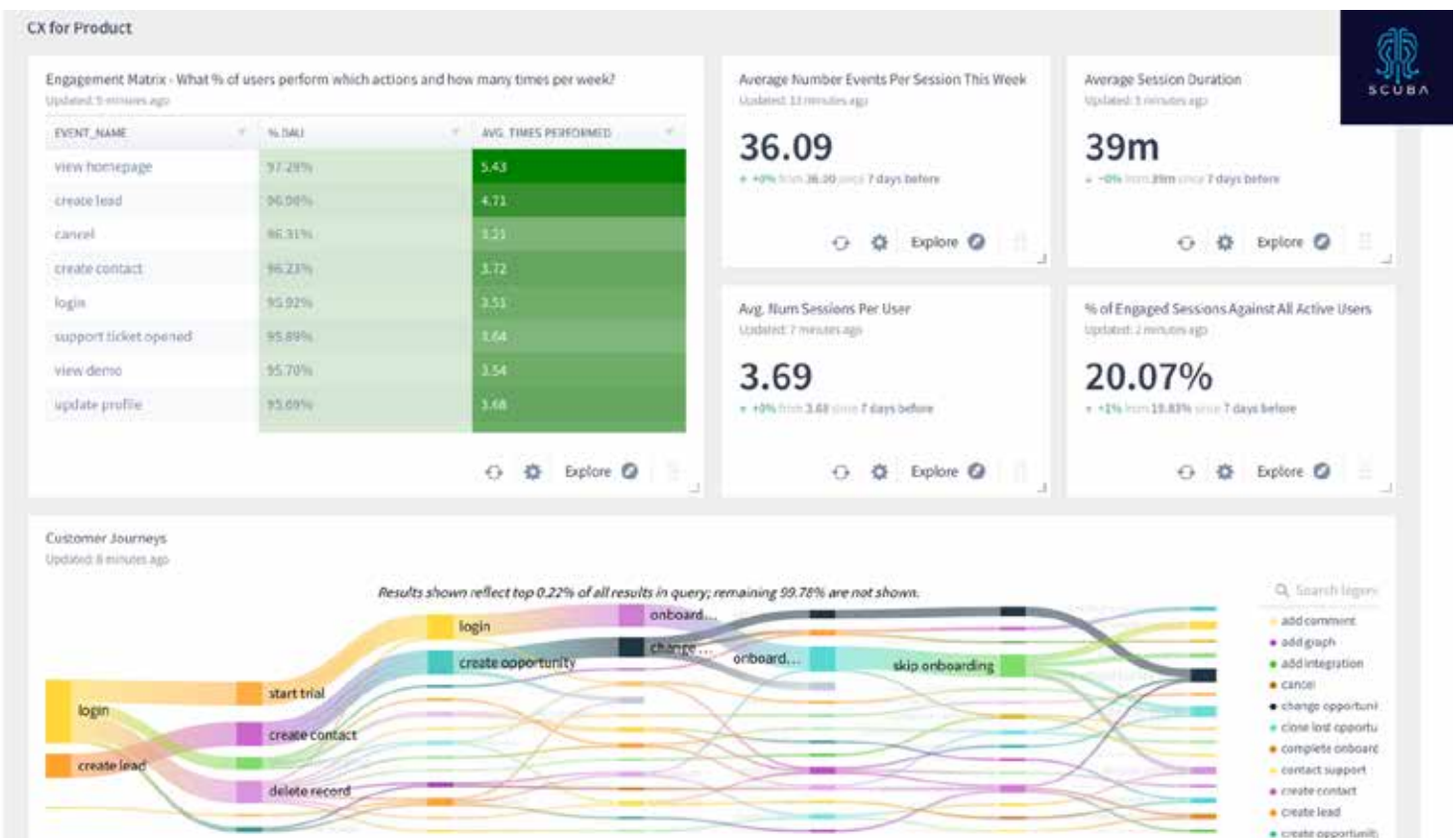
When teams are able to navigate across silos and in real-time with no dependence on other departments to access it, they realize a much quicker time-to-value with their data, and improve the customer experience more accurately.

Take, for example, when a company launches a new product or service. As soon as a launch occurs, your organization will begin collecting product usage data detailing everything from engagement to conversion rates to product utilization. Companies that can monitor these trends in real-time will be far more successful in bridging the gaps in communications and experience, while also identifying immediate opportunities to iterate on new product features and services based on real time adoption, engagement, and utilization.

Empowered Employees Equals Business Success

When your employees are empowered to gather, analyze, and share customer insights, they often feel far more connected to their employer, knowing that their contributions are creating a positive impact with customers and with the business as a whole.
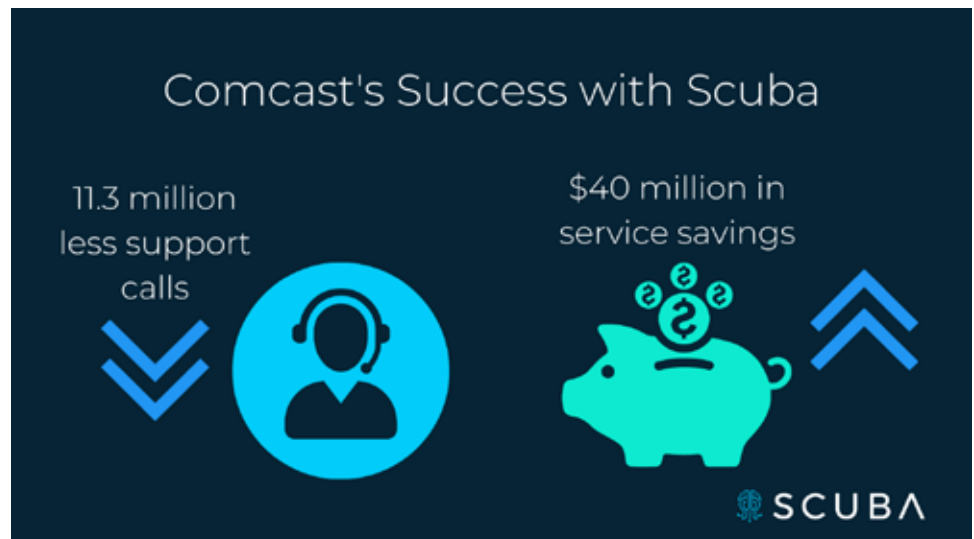
Without equipping your team with the proper tools, CX is out of their hands.

Imagine reaching out to a call center to resolve a product or service issue only to have the customer service representative only be able to see one part of the customer experience. This is incredibly frustrating for the customer, and for your employees.

Unless your employees can see and contribute to the end-to-end customer experience, they also are unempowered to help solve these problems, identify unmet needs, or have behavioral context as to what the customer was actually experiencing. By being able to document and view the complete records of a customer in conjunction with the actions that contributed to the experience, an employee will have contextual relevance and be able to effectively serve the customer, while sharing those insights across the organization.

Comcast, one of the largest telecommunications companies in the world, is a great example of how reimagining customer experience analytics can empower employees and improve the overall brand experience.

Comcast wanted to dramatically improve their customer experience but, like many other global companies, the mass amount of customer data was difficult to parse through and analyze. They had over 70 channels of data to navigate from over 30 million external customers. Comcast needed to make it easier to analyze data across multiple silos and navigate not just within a single customer event, but at an aggregate

Comcast's Success with Scuba

11.3 million less support calls

$40 million in service savings

SCUBA

level to identify if its negative NPS scores were a part of a larger trend (such as inefficiencies with their platform's messaging tool or service truck logistics) to correlate the impact of a solution. By streamlining data and more easily drawing patterns from its event data, Comcast found a way to decrease support calls by more than 11.3 million, protect its bottom line, and empower more of its staff. Read more about how Comcast saved millions of dollars by streamlining CX operations and empowering its staff.[7]

Streamlined and real-time insights make data more visible for your entire organization, while also enabling employees to go deeper and ask more complex questions of your data, setting them up to become heroes for your organization.

Driving Innovation with Your Data

Innovation is not limited to companies with R&D labs. Any company has the potential to build a culture of innovation that can result in finding immediate wins. By creating an environment that thrives on making data-informed decisions, the intelligence of its employees and its data can be effectively leveraged to identify opportunities to innovate.

We have come a long way in ensuring that we collect the right data, now we need to capitalize on it to drive innovation and a better end-to-end customer experience.

Tony Ayaz
Chief Executive Officer
Scuba Analytics

Tony Ayaz is the CEO and a Board Member at Scuba Analytics. Tony has more than 20 years of experience in data analytics, infrastructure, and security. Tony has held the titles of founder, investor, and executive, and has helped build global GTM strategies at companies such as Splunk (21st employee), Zoomdata (Logi Analytics), Gemini Data, and more.

scuba.io

Links:

1   https://blog.scuba.io/blog/behavioral-analytics-cybersecurity-threats

2   https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever

3   https://www.superoffice.com/blog/customer-experience-statistics/

4   https://walkerinfo.com/cxleader/customers-2020-a-progress-report/

5   https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/prediction-the-future-of-cx

6   https://info.scuba.io/en-us/execs-in-the-know-bleacher-report

7   https://info.scuba.io/en-us/execs-in-the-know-comcast

BRAND SPOTLIGHT
GITHUB

GitHub

Delivering a Top-Notch Customer Experience for Developers

**An interview with Sue Morris, Vice President, Customer Success at GitHub**

For more than a decade, Sue Morris has been on the technology scene in a customer support role with experience spanning both sides of the Atlantic. Sue, who has sat on the Execs In The Know Corporate Advisory Board since 2018, is a passionate advocate for team culture and the cultivation of customer excellence. We had a chance to get to know Sue and Github a little better through a series of questions in late September 2021.

Execs In The Know (EITK): Please share a little bit about your background, how you came to be at GitHub, and describe the day-to-day focus of your current role.

Sue Morris: After spending most of my early career building large sales operations, predominantly in the Telco space, I moved to the support org during a 12-year stint at Vodafone. I joined Vodafone at the end of the massive surge of cell phone adoption. It was a hugely competitive industry as companies scrambled to grab market share. Being able to differentiate the customer experience via our support interactions was a big win for the company.

Energized for the customer experience challenge and the opportunity to create fans with every service interaction, around 10 years ago, I pivoted focus to run Customer Service at Vodafone and, for the last seven years, I have been part of the Microsoft family. I spent five years heading up the Consumer space (Xbox, Office 365, Surface, and Windows) and, for the last two years, I have been at GitHub. What is GitHub? We are the world's largest platform for developer collaboration, reaching more than 65 million developers across the globe.

EITK: How would you describe GitHub's culture, values, and overall mission when it comes to serving users?
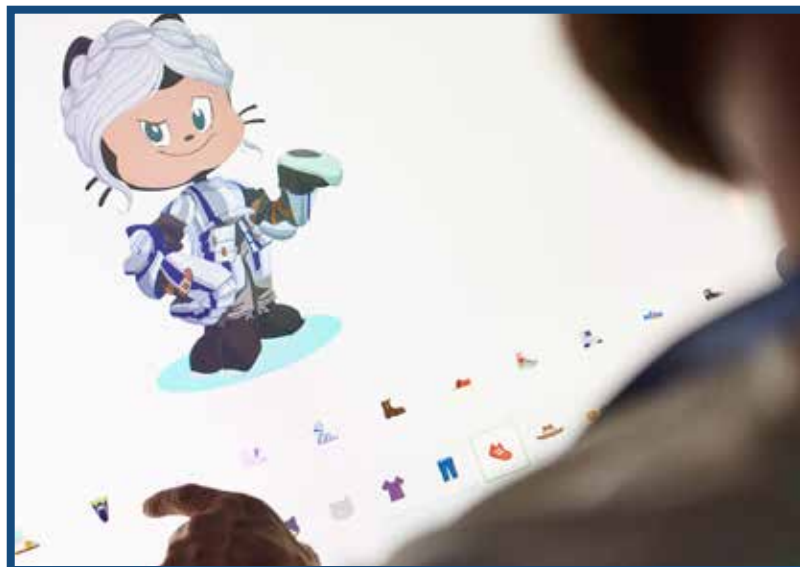
GitHub Universe 2019 conference

Sue: GitHub was created by developers for developers, and the passion to deliver new products to empower developers around the world runs deep, with one of our core tenants being "ship to learn." I love that mentality and the creativity it brings. Every invention, technology, or even recent COVID vaccines developed today, are built using code, and the open-source world is often where that happens. Our mission is to empower developers of all ages, backgrounds, and locations to be able to do that easily in an interactive, sociable, and safe way. GitHub is changing the world with code.

GitHub

SUE MORRIS

Vice President,
Customer Success

GitHub Universe 2019 conference

Sue: GitHub has always been a digital-first company, even before the pandemic with more than 70% of our workforce working remotely outside of San Francisco. We understand the benefits in embracing remote work. We've also found the key to success is ensuring conversations and decisions are documented so that everyone can follow along or join in, irrespective of their physical location.

Our challenge, like many other companies, is to help everyone feel connected to the company and each other and, for that, we have a clear mission and goals, clarity around roles, and plenty of time to socialize and celebrate successes.

EITK: Who is the typical GitHub user you and your team are serving, what does a common customer success engagement look like, and on which channels are you and your team serving customers?

Sue: More and more, we're seeing that GitHub is becoming not only the home for developers, but a platform where people in many different roles come to learn and engage with the community. In the past year, our community has grown to include more data analysts, scientists, students, teachers, and designers, which suggests that collaboration on the platform will increasingly include more than just code. Developers like to solve their own problems. We're working in the near-term to consolidate GitHub digital and assisted support through a single-entry point. Some examples include personalized automation to solve billing, login, signup, enterprise license, and Single Sign-On issues, to name a few.

EITK: Employee engagement has been a constant challenge since the shift to work-from-home (WFH). What have been the key enablers for making sure your team is connected to each other and the brand, and providing GitHub users with the experience they expect?

EITK: The past year has been filled with plenty of challenges and lots of wins, both big and small. When you look back over the past 12 months, which success has meant the most to you?

Sue: We have invested heavily in Customer Experience teams, tools and insights, launched new Customer Success teams, overhauled the Community forums and launched exciting new products like GitHub Copilot and Codespaces to further enable developers! But, the area I am the most proud of is the way GitHub has supported our customers and employees through the pandemic.

We know our team can only offer an exceptional customer experience when they are supported to be their best. The health, safety, and well-being of Hubbers is our top priority, and I am very proud of the way GitHub stepped up to look after our Hubbers in this tough time. We've expanded our home office stipend for all employees, provided ongoing communications on the workplace, along with our longstanding learning and development benefit. We've invested in social activities (remote!), days of learning, and continue to provide flexible schedules to those of us who need the time and space to juggle work and caring for loved ones.

EITK: Which CX trend or technology are you most intrigued by heading into 2022, and what's something every CX leader should be tracking?

Sue: From the technology standpoint, there is quite a lot of rapid innovation and experimentation going on to automate digital customer service. Omnichannel Customer Service has been an ongoing concern, but the pandemic has intensified the need to meet customers where they are and communicate in the channel of their preference.

That said, from a trend perspective, it has become more important than ever for leaders to stay close to customer service, no matter how large the company becomes. Staying close to customers by spending focused time reviewing support tickets or customer interactions is the best source for new ideas and opportunities. Over the last year and a half, companies are realizing that being agile and accommodating of different situations is critical for survival and growth. We've added new automation tools, like our chatbot virtual assistant, to further enable support through various synchronous and asynchronous mediums and channels such as phone, chat, and community forums. Customers care not just about what they receive, but how they receive it.

Customers also pay attention to what a company does and says. The most perfect ecosystem falls apart when customers don't understand or agree with your company values. It's the reason that GitHub prioritizes transparency and engagement from our community. At the core, the CX landscape is recognizing, or re-recognizing, that the goal is to build a lasting relationship with our customers and, to do that, the focus must be on achieving their desired outcomes using our service.

EITK: You have been an active member of the Execs In The Know community for quite a while, including a spot on the Corporate Advisory Board beginning in 2018. Can you share what your involvement has meant to you?

GitHub Universe 2019 conference

Sue: That's an easy one! Connecting to amazingly talented experts in our field from all different industries is simply better at Execs In The Know than any other forum with which I have been involved. I love getting to meet peers at the events and learning from them along with the speakers at the event.

During the pandemic, with so many of our business continuity plans being tested, it has been invaluable being able to learn from other companies and share ideas. So, when meeting up hasn't been possible, I have loved having access to the Know It All online community.

Execs In The Know

Execs In The Know partners with brands that are providing outstanding customer service (CX) experiences. The Brand Spotlight Series showcases innovations and solutions to CX challenges faced by today's leading brands.

Thank you to Sue Morris and the entire team at GitHub for contributing to the Execs In The Know Brand Spotlight.

Interested in taking part in a future Brand Spotlight feature and sharing your story?

Contact us at info@execsintheknow.com.

BPO Site Insights: Up-and-Coming BPO Locations Around the Globe — Part 2

by Execs In The Know

A common question among customer experience (CX) executives when outsourcing is, "Which markets should I consider for my sourcing strategy?" The answer is, of course, "It depends," — especially as the industry continues to evolve, organizations' priorities and requirements change, and regional capabilities expand. It is challenging to keep up with, so Execs In The Know (EITK) aims to provide updated information about emerging or growing markets. In 2020, EITK published articles highlighting emerging Business Process

Outsourcing (BPO) markets, including <u>Jamaica, Egypt, Nicaragua, Guatemala</u>, and <u>Columbia</u>[1]. As discussed in those articles, India and the Philippines continue to be attractive outsourcing destinations. But, as companies assess their short- and long-term sourcing needs, other markets are worthy of consideration. In this article, insights into the benefits and challenges of three additional markets are covered — **Brazil, Malaysia,** and **Poland.**

BRAZIL

While Brazil as an outsourcing destination may not be emerging per se, it continues to be an attractive market for many organizations. It has the largest economy and is the most mature South American BPO destination, with its infrastructure and capabilities continuing to evolve. AT Kearney conducted [a study which ranked Brazil fifth in the top outsourcing countries](2) based on financial attractiveness, people skills, and business environment index. Brazil's BPO market is valued at $4 billion and estimated to grow to $5.1 billion in 2022, with 1.5 million call center workers. In addition, [the outsourcing law](3) that was passed in 2018 makes outsourcing to Brazil easier to navigate, as Brazil now has the freedom to provide many outsourced services to global organizations. Considering the market size and maturity level, Brazil offers many benefits, as well as some challenges highlighted below.

BENEFITS

- **Government investment and infrastructure** – The Brazilian government offers a host of federal benefits and tax incentives to appeal to call center industry investments. In addition, it has made significant investment in boosting the country's business ecosystem to support the expansion of the BPO industry. These measures have proven successful in driving economic growth, so these will likely continue. In fact, Brazil has over ninety technology parks with advanced digital infrastructures to support its growing IT and BPO sectors.

- **Proximity to the U.S.** – For U.S.-based companies, Brazil offers a near-shore, convenient location just one hour later than the Eastern Time Zone with plenty of flights from major U.S. cities, facilitating

ease of management and involvement, as needed.

- **Multilingual capabilities** – While Portuguese is Brazil's native language, BPO providers also offer capabilities in English, Spanish, and French. While English-speaking workers are still in high demand, the growing number of companies outsourcing to Brazil has accelerated English proficiency among workers.

- **High maturity level** – As previously mentioned, Brazil is the most mature of the Latin America BPO countries, making it an attractive option with little to no growing pains. Additionally, it is reported that employee turnover is one of the lowest in the Latin America region, an obvious benefit for those considering Brazil as an outsourcing destination.

- **Skilled talent pool** – The Brazilian workforce is technically savvy and highly educated, with over half of the 209 million population being of working age and 85% under the age of 55. Considering that there are currently 1.5 million call center workers, the potential labor pool is strong and sustainable.

- **Cost savings** – There are significant cost savings compared to U.S.-based companies but, as noted in the challenges below, these savings depend on many factors, including location.

CHALLENGES

- **English proficiency** – While English is becoming more common and the country offers multi-lingual capabilities, it is still a second language. It is recommended to understand some Portuguese to ensure communication with leadership is effective.

- **Cultural differences** – Brazilians prefer face-to-face interactions, so ongoing management may require more on-site involvement than other near-or offshore destinations. Additionally, Brazilians tend to hold back on its offering critical opinions, so it is important to develop a solid relationship from the beginning with clear expectations about the partnership.

- **Cost consideration** – Like many countries, the location chosen in Brazil will dictate costs. For lower budgets, outsourcers in smaller cities are more appropriate. Otherwise, companies in technical parks in major hubs such as Sao Paulo or Rio de Janeiro will be a good fit. It is important to understand total cost of resources. For example, Brazilian employees start with a 14-month salary, which includes one extra month of vacation pay, plus a bonus. There are also additional taxes, transportation, meal subsidies, and retention costs, just to name a few.

- **Complex laws** – It is important to understand the laws surrounding outsourcing relationships, as they can be complex to navigate.

For more information about Brazil's BPO industry, refer to:

https://biz30.timedoctor.com/outsourcing-to-brazil/

https://www.outsource-consultants.com/outsourcing-countries/call-centers-in-brazil/

https://www.customerserv.com/brazil-call-center

MALAYSIA

While the Philippines, China, and India remain top outsourcing destinations in the Asia-Pacific region, Malaysia continues to grow as a contender. Its share of the APAC BPO industry is expected to grow from 1.7% to 7.9% in 2021. Other noteworthy statistics include the fact that AT Kearney ranked Malaysia at three on their 2021 Global Services Location Index (GLSI)[4]. And, in 2020, Malaysia was ranked 12th of out of 190 economies on the Ease of Doing Business Index[5], 25th on the IMD World Competitiveness Index[6], and 34th on the 2020 global connectivity index[7]. These reasons, plus the benefits in the following bullets, make Malaysia worthy of consideration, depending on business requirements. With these benefits come some challenges as well, also included in the following bullets.

BENEFITS

- **Policies and infrastructure** – The Malaysian government has instituted pro-business policies to support the country's BPO sector, in addition to its commitment to digital innovation. In fact, many BPO companies are driving digital transformation initiatives such as artificial intelligence (AI), big data, and robotic process automation (RPA) to provide even higher value services. Cybersecurity is also a high priority, with some of the strongest IP and cybersecurity laws in Southeast Asia. The government's commitment to improve digital connectivity is evident through its National Fiberization and Connectivity plan, which further enables the country in supporting remote working models. The Information and Communication Technology (ICT) sector boasts an estimated $25 million budget in support of all digital infrastructure and capability development. And, the Ministry of Housing and Local Government launched the Malaysia Smart City Framework, which aims to transform urban areas into smart cities to support global organizations, including the BPO industry.

- **English proficiency** – Improving English proficiency among students and workers is a priority, with several programs to support that goal. For example, the Malaysian education ministry launched a 10-year initiative (2015-2025) called the English Language Education Reform. Its goal is to improve English, beginning in preschool. Due to these efforts, Malaysia is currently ranked third on the English proficiency Index[8], just behind Singapore and the Philippines.

- **Skilled talent pool** – About 15 million of its 32 million citizens make up the country's workforce, of which over one million are ICT professionals. In the 2000s, IT outsourcing surged in Malaysia, which contributed to the growth of the country's labor pool. Since then, there have been numerous educational initiatives to upskill the country's workforce. For example, the Malaysia Digital Economy Corporation (MDEC) provides university students and young workers training on digital skills to add more skilled workers and grow the country's BPO industry.

- **Cost savings** – Compared to the U.S., the cost of living and salaries are less than the U.S. and Europe, providing cost savings to global organizations.

CHALLENGES

- **Political instability** – A concern for investors and global organizations doing business with Malaysia is political instability and uncertainty. This is something to be cautious of and worth considering in how it could impact an outsourcing relationship.

- **Cultural factors** – This is not a challenge per se, but something to be aware of and align operating procedures with when working with any country which may have unfamiliar cultural norms and practices. As a conservative Muslim country, there are certain business and social practices which leaders must be aware of and follow to ensure a smooth working relationship.

- **Workforce scalability** – While the labor pool is young and growing, it could hit some limits as BPO and IT outsourcing continues to grow substantially.

For more information about Malaysia's BPO industry, refer to:

https://biz30.timedoctor.com/outsourcing-to-malaysia/

https://outsourceasia.org/outsourcing-

in-malaysia-competitive-factors-and-entrepreneurial-challenges/

https://infotechlead.com/bpo/malaysias-bpo-market-to-maintain-3-1-cagr-globaldata-64689

https://www.reuters.com/article/malaysia-politics-markets/update-1-malaysias-political-turmoil-drives-away-investors-idUSL1N2PN085

POLAND

Poland, located in Central Europe, is an increasingly attractive outsourcing destination. In fact, it ranks 14th (up 10 points from 2019) on the AT Kearney Global Services Locations Index[9]. As of 2019, there were over 1400 business service centers (including BPOs) with over 300,000 jobs (up 43% since 2016) across 10 cities. With a population of 38 million, Poland has a consistently stable economy focused on innovation and education, specifically in the technology sector. Furthermore, Poland ranks 40th[10] in the world for ease of doing business. Its scalability, stability, diverse language skills, technical labor pool, and other benefits make Poland a destination worth considering depending on needs.

BENEFITS

- **Security** – From a risk perspective, Poland represents extremely low risk compared to

other countries. According to the Global Cybersecurity Exposure Index[11], Poland ranks 16th in Europe and 22nd in the world, which is better than China, Israel, or Mexico.

- **Young, educated, and tech-savvy talent pool** – The educational system in Poland places a great deal of importance on education, providing students the ability to receive free education for 22 years. There are 102 universities in 59 Polish cities, graduating 60,000 students each year.

- **Bilingual capabilities and English proficiency** – Poland is a multi-cultural country, with the ability to support many languages, including English, Italian, French, German, and Spanish, just to name a few. Poland is also considered to have elevated levels of English speakers, as English proficiency is standard for graduates (where more than 50 languages can be studied in school) and workers alike. The country ranks 11th globally on the 2019 English Proficiency Index[12], and the best in Central–Eastern Europe.

- **Location** – While not a "nearshore" option with time zones like the U.S., it is only six to seven hours ahead of East Coast time, making it manageable or even preferable to other locations. Plus, if one is outsourcing to Poland to support various countries and languages across Europe or Asia, it is perfectly suited.

- **Cost savings** – There is a cost savings associated with outsourcing to Poland, even with multilingual and experienced workforce, but this is also a challenge, as the savings may not be as high as other countries deliver.

CHALLENGES

- **Location** – Poland is in Central Europe, and while it is closer than some outsourcing

destinations, if nearshoring is a desire, the distance and time zones should be considered.

- **Costs** – The cost of operating in Poland may be more than other countries, but still represents a cost savings, especially if an educated and multilingual workforce is a priority, and a need for support of more complex transactions.

- **Labor pool** – While the labor pool is young and growing, with increased sector growth could come competition for labor. However, with additional cities and locations being developed in the BPO and SSC industry, it may or may not be an issue, depending on specific needs.

For more information about Poland's BPO industry, refer to:

https://emerging-europe.com/voices/outsourcing-in-poland/

https://www.michaelpage.pl/en/employer-centre/growing-market-shared-services-centres-poland/sscbpo-sector-poland-trends-and-facts

https://www.forbes.com/sites/forbestechcouncil/2021/06/09/why-poland-should-be-the-next-go-to-it-outsourcing-for-us-startups/?sh=78f34a4c74d9

Stay Head of the Outsourcing Curve.

The BPO industry is growing in many countries across the globe, and many of them are investing heavily to position themselves as a leader among many competing markets. As always, it is important to carefully determine your organization's unique needs and conduct the due diligence across many factors to determine which emerging (or mature) market is right for your organization. The landscape is changing quickly, so staying updated on what each market (and partner) can provide

is important for any long-term sourcing strategy. Business requirements have changed dramatically for most organizations over the last 18 months, and capabilities have changed for most BPO partners with accelerated digital transformation strategies and work-from-home options. Considering all this, it might be a good time to review existing partner portfolios, capabilities, and roadmaps to ensure you have the right partner network for your own strategic objectives.

Links:

1 https://execsintheknow.com/magazines/january-2021-issue/bpo-site-insights-up-and-coming-bpo-locations-around-the-globe/

2 https://nearshoreamericas.com/brazil-latin-america-kearneys-index-sao-paulo/

3 https://www.reuters.com/article/us-brazil-outsourcing/brazils-top-court-upholds-unrestricted-outsourcing-idUSKCN1LF2T5

4 https://www.kearney.com/digital/gsli?utm_source=PRNewswire&utm_medium=pr&utm_term=DT&utm_campaign=2021GSLIPressRelease&utm_content=

5 https://www.doingbusiness.org/content/dam/doingBusiness/pdf/db2020/Doing-Business-2020_rankings.pdf

6 https://www.businesstoday.com.my/2019/09/27/malaysia-rises-one-spot-in-world-digital-competitiveness/

7 https://www.huawei.com/minisite/gci/en/country-profile-my.html

8 https://www.ef.com/wwen/epi/regions/asia/

9 https://www.kearney.com/digital/article/?/a/the-2021-kearney-global-services-location-index

10 https://www.statista.com/statistics/1012604/poland-ease-of-doing-business-ranking/

11 https://passwordmanagers.co/cybersecurity-exposure-index/

12 https://www.ef.com/wwen/epi/

**Is Outsourcing a focus for you?
Consider joining us for our next
Outsourcing Briefing on December 9, 2021.**

Learn more: https://execsintheknow.com/events/outsourcing-dec2021/

The State of Digital Customer Experience in 2021

The Impact of the COVID-19 Pandemic on Consumer Behavior and Self-Service

John Koo, Chief Marketing Officer

Airkit

Even before 2020, many companies had begun investing in new digital services to increase the scope of their online business. This might have meant adding new channels for customer outreach, such as chat and text, automated appointment scheduling, or AI-powered chatbots as a means to answer customer FAQs.

However, having the right tools and using the right tools correctly are two different things.

A customer might be delighted to see that a business has a chatbot to answer questions after working hours. But, if that chatbot can only tell the customer when a representative will be back online to assist, has it really helped the customer? Many Interactive Voice Response (IVR) systems ask consumers to download and use an app. How many customers do you expect to hang up, download an app, authenticate, navigate to the right solution page, and complete their action?

Small friction points in customer experience (CX) implementation directly result in sales or enrollment conversion drop-offs that not only cost the typical brand millions of dollars each year, but also drive your customers back to costly agent-assisted support or, in some sectors, to another competitor.

By fixing the last mile of CX with digital self-service, you drive customer action while lowering costs by 30-40%.

Based upon a broad survey of consumers in May-July 2021, research captures attitudes toward digital self-service across a range of consumer sectors. The goal is to help decision-makers better understand how consumers perceive digital services and what they value.

Let's take a look at the data from this research and dive in.

Trend 1
COVID-19 accelerated digital adoption.

2020 moved nearly every business online in one form or another. Consumers expanded their domain of digital services, moving from using a few tried and true digital service categories to adopting entirely new ones.

Prior to the pandemic, consumers predominantly used digital services in the following sectors: 1) Banking and Insurance (36.5%), 2) Cell Phone and Cable (30.2%), and 3) Retail and Grocery (24.6%).

After the pandemic, that landscape expanded. Our survey shows that after 2020, 27.2% of customers increased their use of digital services in Retail and Grocery, while 20.4% of customers expanded their use of Media and Entertainment digital services.

Respondents indicated that change in behavior is likely to stick in the retail and grocery space. 23.2% of customers expect to use more digital options for Retail and Grocery in the coming year than before COVID-19.

KEY TAKEAWAY While some consumers may go back to more face-to-face service after COVID-19 restrictions are lifted, overall consumer behaviors have shifted more permanently toward digital.

Trend 2
Consumers are jumping ship to providers with better digital CX. Some industries are at high risk.

There's a cruel irony to phone service providers not being great at servicing customers over the phone. This trend has not gone unnoticed by customers. Over 40% of consumers said they would be "likely" or "very likely" to switch cell phone, cable, utility, or insurance companies for a comparable provider with better digital service offerings.

KEY TAKEAWAY To attract and retain customers, companies have to invest in digital CX. New competitors are disrupting the telecom, utility, or insurance space by setting themselves apart with modern service infrastructure and a CX-forward strategy.

40%

of consumers are "likely" or "very likely" to switch cell phone, cable, utility, or insurance companies for better digital CX.
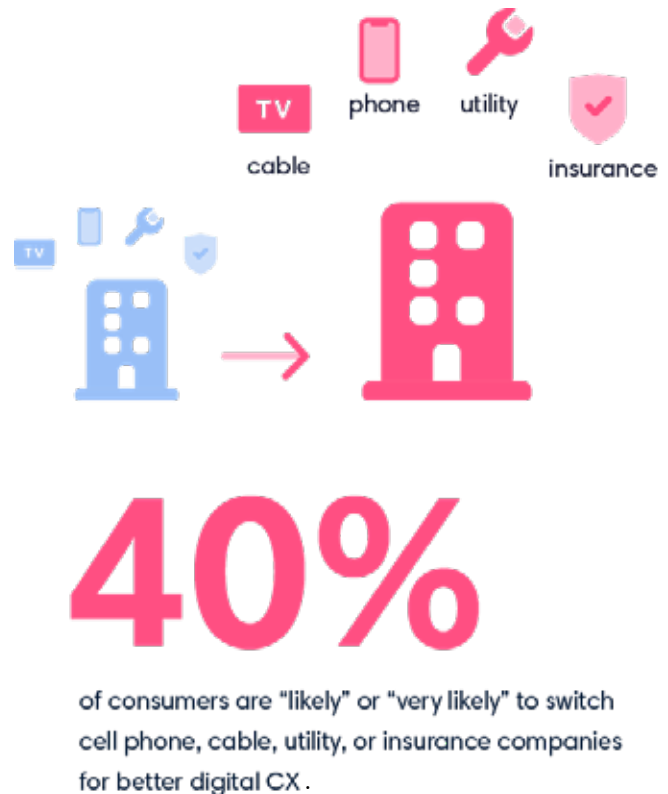
Trend 3
Customers won't wait on hold.

Our survey found that the average consumer waits 5-10 minutes on hold for customer support. While this figure may seem acceptable to businesses, customers think otherwise.

MIT researcher Richard Larson says, "Often, the psychology of queuing is more important than the statistics of the wait itself." That means companies will bleed customers if they perceive the wait as unexpected, taking too long, or unaligned to value. That's why one in three consumers (32%) say they will walk away from a brand they love after just one bad experience (PwC).

By using smarter CX strategies that diversify your avenues for customer support, you can reduce wait time while boosting CSAT.

KEY TAKEAWAY To start, give customers additional ways to find what they're looking for without requiring them to rely solely on your contact center to offer customer support. By using tools like self-service web flows, email,

and automated appointment scheduling, you give your customers the flexibility to choose how they'd like to be served while also reducing the time they spend waiting for that service.

Trend 4
Your customers are already omnichannel-ready.

The customer journey spans across channels. To better understand and deliver on your customers' needs, you need to be able to see how their interactions across channels tie together.

According to our survey, 40% of consumers have used three or more conversation channels to engage customer service. Here are the top channels:
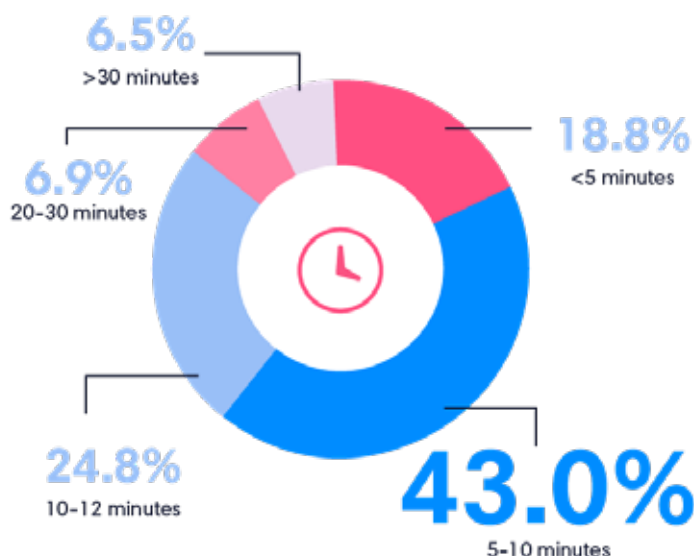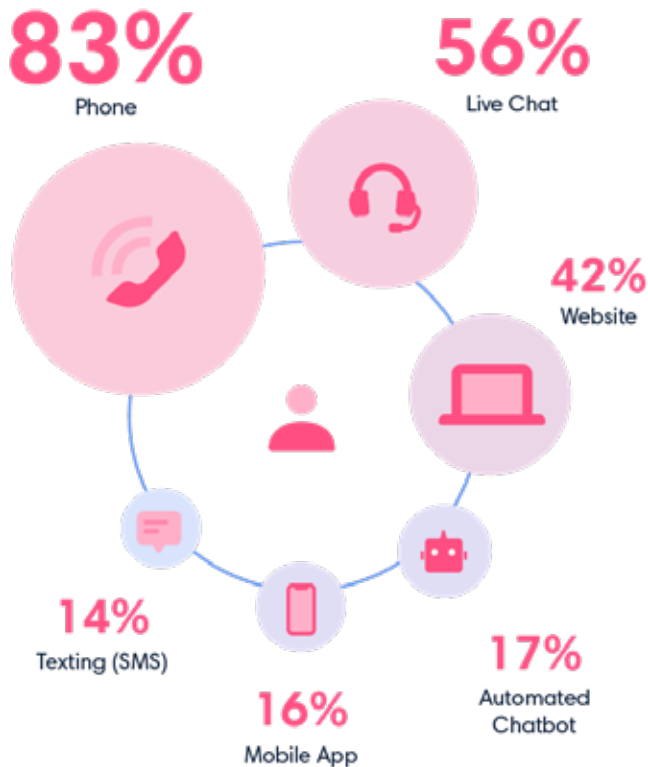
- Phone
- Live Chat
- Website Inquiry

Adding support for these channels is a great start. However, it doesn't address a common pain point customers face – silos. The most common customer complaint regarding contacting service was that their conversations across various channels were not connected. Customers became frustrated with having to repeatedly re-identify themselves on each channel of engagement.

Businesses need to rise to meet customers' expectations of having a consistent experience across channels.

KEY TAKEAWAY CX leaders are adopting digital CX platforms that unite all of their communication channels, from live chat to email to SMS to IVR, so they can get a 360-degree view of their customers' needs. The difference with Airkit is that you can orchestrate digital experiences that preserve session state and flow uninterrupted across channels without losing context – down to the keystroke.

How long do you wait to speak with a live agent?

6.5% >30 minutes
18.8% <5 minutes
6.9% 20–30 minutes
24.8% 10–12 minutes
43.0% 5-10 minutes

Trend 5
Lackluster digital service can do more harm than good.

83%
Phone

56%
Live Chat

42%
Website

14%
Texting (SMS)

16%
Mobile App

17%
Automated Chatbot

Which communication channels do you use to interact with customer service?

Let's say a company's digital offerings were not up to par with customer expectations. After wrestling with live chat or another online experience that didn't meet their needs, customers will still default to calling customer support. Eighty-three percent of survey respondents still engage with customer service over the phone.

Between 20-33% of consumers rated their provider's digital service offerings from "needing improvement" to "horrible." That means there's major room for improvement in the CX space.

Additionally, 64% of consumers reported that they were unable to get help or solve their problems through customer service. Given the influx of call volume and long wait times at call centers, customers shouldn't be forced to speak

to a live agent, especially when they are already comfortable with digital self-service options. Fifty-five percent of consumers said that they are familiar with real-time order updates and 40% are familiar with self-service appointment scheduling.

KEY TAKEAWAY The lesson here is that having more channels (app, chat, text) available for customer service isn't enough. You need to make relevant answers and self-service available on these new channels, or you're really just adding friction to what will eventually be another call center interaction.

Trend 6
You should be automating order updates.

Your support team and contact center staff field one type of customer request more than any other – order updates. In our survey, nearly half of survey respondents said their most common customer service need was to request an update on an order they had made or report an issue with that order.

Sending routine order update requests to your call center is both costly and inefficient. A customer shouldn't have to wait on hold for information that's already ready to be sourced directly from your CRM or backend tracking systems.

KEY TAKEAWAY Using a digital CX platform like Airkit, you can connect self-service experiences to your CRM and backend systems, giving customers the ability to access the order information they're after at any time. Now, when a customer calls support to request an order update, they can opt to be sent an SMS with a link to a web-based self-service experience in which they can enter their order number and check on its status instantly.

Recommendations for Action

1) **Assess your customer journey.** Understand how your customer converts from lead to

paying customer, how they onboard, how they dispatch service, and how they expand. By understanding the customer journey, you can identify quick areas of improvement, volume of engagement, and resulting business impact of doing nothing.

2) **Deploy digital deflection.** Your customers won't wait 5-10 minutes on the phone, and many of these requests may not require human intervention. Assess your cost to service, call volume, and call handling times to see what types of calls can be deflected to digital self-service. For example, customers calling in to make common, high-volume requests can be deflected to self-service without agent intervention.

3) **Offer proactive digital service.** Use your customer data from your backend systems (CRM, contact center, transaction systems, etc.) to serve personalized, 1:1 digital experiences to your customers. For example, if a customer has made a purchase, serve them an SMS to notify them of their order status. Consider another scenario in which your systems have identified a slice of customers that will be impacted by a pending issue. Rather than using manual intervention, trigger a digital experience to notify customers of a pending service outage and a digital form to collect any additional information.

4) **Ensure you're omnichannel-ready.** Your customers use multiple channels, so ensure you're able to meet them where they are. Use omnichannel nudging (text, chat, email, or voice) to encourage a customer to complete a journey (i.e., remind them to complete their enrollment process). Ensure that you can sustain context, so customers can swap channels and start where they left off.

Research Methodology

From May to July of 2021, Airkit commissioned a study of 1,000 adults in the United States. The goal was to better understand consumers' experiences with automated self-service options across a variety of industries, and discover how behaviors have changed as a result of the pandemic.

John Koo
Chief Marketing Officer
Airkit

John's role in multiple fast-growth companies has been that of a breakthrough creative marketer, building brands, and driving growth. His career has spanned both technical and analytical roles. John enjoys the work of leading teams that create fresh strategies and messages to engage prospects in noisy, competitive markets. At Rubrik, he was responsible for all aspects of Corporate, Product, and Technical Marketing. Formerly, he was part of the leadership team at Pure Storage and was responsible for WW Demand Generation and Marketing Operations. He now serves as Airkit's Chief Marketing Officer.

Airkit empowers companies to build experiences customers love.

After founding RelateIQ and successfully selling to Salesforce in 2014, the Airkit team is now revolutionizing how companies connect with their customers. Airkit is building software to make customer interactions personalized, proactive, and effortless.

Learn more:

airkit.com

Transforming the Exceptional into the Predictable

KIA Online Community Member Spotlight: THOMAS SIEBERT   *by Execs In The Know*

Thomas Siebert is a passionate veteran of customer experience (CX) operations, having sat on both sides at the table during his nearly three-decades-long career. Thomas' experience spans many critical areas of the CX business, from team development to program strategy and continuous improvement. Along the way, Thomas has helped evolve the customer service and contact center operations of some of the world's largest and most well-recognized brands, including Expedia Group, Amazon.com, Starbucks, Chevron, and Vanguard.

In mid-August 2021, we connected with Thomas to learn what makes him tick and get a feel for his passions as it relates to CX.

Thomas is Director, National Customer Engagement Sales & Support Center at FinishMaster, Inc., where he deploys his knowledge and experience to help build on the company's heritage of creating customer success.

EXECS IN THE KNOW (EITK): Thomas, you've been involved in the CX space for some time. Can you share what initially drew you to CX, as well as what has kept you involved?

THOMAS SIEBERT: My purpose as a strategic and operational CX leader has always been to help companies better understand their baseline customer journey, or current end-to-end state – from customer inquiry to post-transaction support. At the same time, the "future state" is often where the real fun starts, and I'm constantly fascinated with the idea of how to build a better bridge to get there. This involves strategy, architecture, design, process, communication, execution, and measurement – all things I am drawn to.

EITK: You are new to your role at FinishMaster, Inc. In your short time with the company, what have you learned about the organization's culture and approach to CX?

THOMAS: Like many other large national and global enterprises, FinishMaster has a deep culture – developed over more than five decades of serving its customers. This history has resulted in a good understanding of our customer,

FinishMaster Inc. is the national leader in the automative and industrial paint aftermarket with more than 30,000 products.

what our customers want, need, and expect, and what works well in terms of the customer experience and treatments we provide. Although FinishMaster has a rich history of striving to be a key factor in the success of its customers, there has also been a continuous evolution over the company's history. So, for me, the most exciting part is thinking about the future – thinking of ways to significantly improve the customer experience. This means taking out cost and friction, but also improving the FinishMaster employee experience concurrently. This is how the company moves toward its guiding star, providing the best experience for each customer, as well as supporting employees and the community.

EITK: When it comes to cooking up exceptional customer care, which critical ingredients do you think most often get overlooked?

THOMAS: Doing the basics well, consistently, over time. Exceptional customer care is

predictable. It must be. But it should also improve operations in a consistent way, from Quality Assurance (QA) to customer satisfaction/dissatisfaction, even financial performance. The triad of measurement. It's not about the "customer" or "employee comes first." That is too pedestrian and infers one critical party over another. Exceptional customer care is understanding the CX role today, as well as future possibilities, and how CX contributes to and complements the overall corporate strategy. By example, the call center is not an independent box that solves customer issues. It is (and should be) an integral partner contributing to the corporate strategy vis-à-vis customer acquisition, satisfaction, retention, and lifetime value – and often complemented by real-cost reductions and revenue optimization. In other words, CX plays an awesome role, although it's sometimes easier to say than to accomplish, especially doing so consistently and predictably over time.

EITK: You have built and managed several teams over the years and have likely seen hiring requirements evolve in that time. Based on where the industry is today, how would you describe the ideal agent, both for your own program and in general?

THOMAS: Great question. The ideal agent is attracted to CX programs based on a portfolio of well-managed tools, coaching, and career path opportunities. Most important, they want to understand all the support mechanisms we bring to the table to enable their success, including smart hiring, training, management, policies, and agent tools (i.e., integrated telephony and CRMs, training, knowledge base, etc.). I've always found the ideal agent to be someone who wants to join a team that helps enable their success and solve customer issues.

EITK: Employee satisfaction (ESAT) and engagement has gained a ton of attention over the past few years, especially with the recent emphasis on work-from-home (WFH). In your experience, which types of initiatives have the power to move the needle the most in these areas?

THOMAS: The heart of ESAT is doing the basics well and consistently for the employee. That means enabling agents to do their job and do it well. Again, like all of CX, this is often easier said than done, and doing so consistently over time is key. Service employees want the tools to effectively listen to the customers' needs, learn the history and profile of their customers, then find and understand the best policy and how to enact the procedures that lead to the best possible customer outcomes. Employees want to solve problems. For their part, program managers need to provide agents with the proper training, tools, coaching, and toolbox of solutions, then simply get out of the way.

EITK: What is your approach to the professional development of your frontline staff? Which resources, activities, or best practices have the biggest impact?

THOMAS: Professional development for frontline staff is very important, but the reality is that few companies do it well. At FinishMaster, we ensure our middle management use a tailored developmental program. Critical is the development of new managers, especially given their ability to strongly influence their teams, both positively or negatively. Considering that a frontline team might number fewer than 50, managers have a lot of leverage. Newly promoted managers/supervisors having a positive influence is a dynamic piece of the puzzle, and we consider this positive influence to be the start of the employee development flywheel.

EITK: You are a strategy and operations guy, and have no doubt seen a lot of innovation and change over the years. When you look in your crystal ball, what do you see as the next big sea change coming to the industry, be it strategic, operational, technological, or otherwise?

THOMAS: I view the next big sea change as using technology to really understand the context of the customer need as a part of every call, chat, or social media interaction. Soon, human-assisted technology will have the ability to aid agents by identifying and helping to execute the right company policy

and procedure. Today, many organizations have bits and pieces with scattered or disconnected solutions, and reporting, analytics, and insights that are spotty at best. The art and science to getting the technology right is marrying the optimal customer channel based on issue type, while also presenting customers with options (i.e., executed by self-serve, human-assisted, or a combination of the two). This approach helps make customers feel recognized, valued, and understood. Yet another case of easier said than done and, of course, something that is very challenging to do well.

EITK: As a Founding Member and Gold Contributor to Execs In The Know's "Know It All" online community, what does the community represent for you, and what value has come from your involvement?

THOMAS: If my FinishMaster colleagues represent a neighborhood of connections, then Executives In The Know and their KIA online community represents an entire universe. While I enjoy reading and presenting my opinions to the questions of fellow KIA members, I learn even more by reading the ideas from others. Access to the EITK KIA universe is like tapping into an unlimited real-time CX knowledge

database, filled with proven experience across a wide range of programs and industry verticals. I value and cherish the many connections among fellow EITK community members. Whenever I am stuck on a challenge or need a wider range of opinions and options, and I find myself wanting to "phone-a-friend;" and the first thing I always think of is my friends over on the KIA online forum.

Thank you to Thomas Siebert, Director, National Customer Engagement Sales & Support Center at FinishMaster, Inc., for his leadership, participation, and insights. To connect with Thomas, or to participate in the wider conversation, consider joining the Execs In The Know "Know It All" (KIA) Community. The KIA Community is a private, online community designed exclusively for CX Leaders at consumer-facing brands. Come learn, share, network, and engage to innovate. LEARN MORE*.

*https://community.execsintheknow.com/about-kia

Execs In The Know

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Thurs., May 19
Thurs., August 4
Thurs., December 1

Mon., October 24–Wed., October 26

CUSTOMER RESPONSE SUMMIT

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