

bright.

Improving customer experience

The road to best in class customer service

And how to create self-improving operations.

The fourth issue in Bright's series of best in class guides
for the customer service industry.

www.brightindex.co.uk

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1 Introduction

Our world has changed at an amazing speed since the first Bright guide was released back in 2011. A speed that if you are responsible for your company's customer experience, can often feel both daunting and stressful. However, remember Formula 1 driver Mario Andretti's words, "If everything seems under control, you're just not going fast enough".

The customer service (CS) industry has certainly changed too, we now talk about customer experience (CX), extending the focus from contact centres to all customer touchpoints including web, apps, branches, etc. This is also an important change in our customers' eyes as we are only as strong as our weakest link. There are more CS Directors on boards of companies, new technology has been developed to help us help customers better, and finally a direct link has been proven between the service delivered and company profits.

However, the industry has not managed to raise its game to the extent we all hoped for, in fact customer satisfaction levels have actually slightly dropped. One of the reasons for this is our transient and resource strapped operations. Ambitious and smart initiatives fizzle out when half of the staff and managers leave during the year and firefighting stops us from realising even the best laid plans. This guide will show you how to use the best methods available to create self-learning organisations that stick and will give you the ammunition to get the funding to build them.

As in previous Bright Guides, we will also share some up-to-date benchmarking data and research findings, alongside relevant case studies from high performing organisations. These findings come from the analysis of top performers in over 1,000 benchmarking reviews, millions of customer satisfaction and employee surveys, and last but not least, proving correlations between these three areas resulting in industry first research.

Let's raise our game together!



Mats Rennstam
Managing Director
Bright UK

2 Linking customer service to company profits

Before we get started let's address the "So what?" factor. All customer experience specialists have claimed it at one stage or another. That as companies' products and pricing get more alike, the importance of customer service as a competitive advantage increases exponentially. We know in our gut that consumers pick companies based on the product offering but leave due to the service delivery. But where is our proof, what are the breaking points and what are the key drivers behind customer retention?



The good news is that high level proof is easy to achieve. If you measure key metrics in parallel with customer retention and spend, you will normally see an overall correlation. Your colleagues from other departments may question if this has to do with customer service and not price reductions, products or any of the other Kotler's P's. Well, this is where it gets trickier. However, once you start measuring customer scores on an individual staff level, and track customer spend and retention in parallel, you will see exactly what impact service has on customers that have been exposed to the same offers and marketing messages.

For some sectors there might be only a handful of interactions per year to base your sample on though. For this reason, it may take a long time before you have robust proof but hang on in there. You will find your budget requests are approved a lot quicker when they are accompanied by an irrefutable benefits case.

"On average when we put self-correcting voice of customer solutions in place as described in this booklet, clients' NPS goes up by 20%."

One of Bright's Telecom clients proved last year that their **"Promoter" customers spent 33% more** with them. On average when we put self-correcting voice of customer solutions in place as described in this booklet, clients' NPS goes up by 20%.

A typical example is shown in the graph above where teams both achieved this improvement as well as reduced the spread between the teams' performance over an eight-month implementation period. Staff engagement (as scored by customers), was one of the key drivers.

Interestingly however, exceeding customer expectations doesn't necessarily increase financial returns to nearly the extent that going from not meeting expectations to meeting them does. As proven by CEB (see their book "The Effortless Experience") and others, the financial impact of "wowing" customers is as overestimated amongst company leaders as the importance of being "good enough" is underestimated.

In our own case studies (full versions available at www.brightindex.co.uk/Clients) we take a look at clients who have achieved cost reductions as high as 40% and increased C-SAT of 10% at the same time, purely by focusing on the right things and stopping trying to wow customers well beyond peer benchmark and customer expectations.

We can prove that good customer service improves retention and sales figures, but it needs to focus on the right things. And importantly, it is only one piece of the holistic view needed to monitor and manage customer experience.

3 Creating self-improving operations

Later on we will describe the building blocks needed to create best in class customer service operations but also how to make this “stick”. Regardless of staff changes, product launches or changes in the market place, it must keep you improving and adapt your set-up **day in and day out.**

To get some buzz phrases out early, it is a dog-eat-dog world out there and if you snooze, you definitely will lose.

“If you do what you’ve always done, you’ll get what you’ve always got”

– Henry Ford

We will look at how to make sure your operations are effective, your staff engaged and how to use “voice of customer” (VOC) to tweak internal operations as well as reducing customer dissatisfaction generated outside of traditional customer service departments.

After putting these building blocks in place, most companies will also need to take a leap of faith and create quicker decision cycles. Once the self-improving structure starts to build momentum it has to be given the mandate to address the challenges discovered, and be allowed to do so quickly.

The phrase best in class will be used a lot throughout this guide and it is worth determining our

definition of this from the start. It is often interpreted as companies that “WOW” their customers the most. We will however look at the **real** drivers of sales and retention, show when wow is overkill, as well as how to get the balance right between

making customers stay and running cost-efficient operations. We’ll start with the latter and come back to things like retention drivers in the chapter on voice of customers.

VOC solutions are where you will have the biggest volume of small tweaks and continuous feedback for your self-learning organisation. However, putting in place performance reviews as described in the next chapter is how your organisation will make the big fundamental changes, and thus the biggest leaps towards both top quality performance as well as cost efficiency’. That is, our definition (and your CFO’s) of best in class.

Our three key building blocks for a self-correcting operation have one thing in common. Neither of them are big costly changes that will put the fear in people (most of

us fear change) and therefore less likely to happen. They are low cost, smaller but more frequent solutions chipping away at changes needed day in and day out.

4 The internal Performance Platform

Before you start looking at customer experience from the outside in, you need to know if the basics of your CS operations (contact centre, branch/store, web, etc.) performance is up to scratch in terms of how they are run internally. Only then can customer experience feedback be used to tweak your performance levels. The best tool for making sure these structural building blocks are performing at the right level is robust and reliable benchmarking analysis.

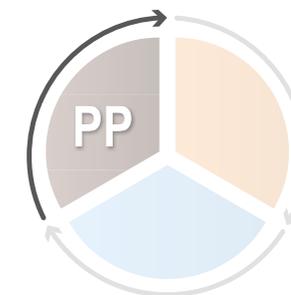
Performance benchmarking will help you:

- Prioritise the right areas for improvement (where you will get the most “bang for your buck”),
- Make sure your targets are aligned with comparable industry top performers,
- Acquire valuable ammunition to support additional budget to implement the changes you need to put in place and create your self-improving CX organisation.

Over the years we’ve seen that companies who do this continuously (at least every other year) run significantly more cost-efficient operations and thus have more time, resources and money to deliver great customer service. As an example, let’s take a look at what the gap between the average UK contact centre and the top performers look like, and what that gap is worth (see table).

You may know all of your areas of improvement but which ones are the most important to focus on? And what are the right levels for your target setting?

Before setting targets we need to look at what metrics will drive the company’s overall strategic goals. The companies who don’t align KPI’s to corporate strategy, and struggle with a lack of data on how



these KPI’s affect each other, are often the companies who work the hardest to become efficient, but fail to operate effectively. This is enforced by using those KPI’s in appraisals, but if the measures are not driving the right targets, we will drive the wrong things; you get what you measure.

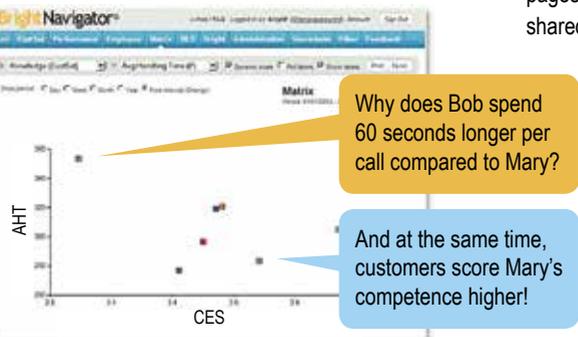
We also have to have different management KPIs than those used to drive staff behaviour. Most contact centres have thrown out Average Handling Time (AHT) as a target for advisors, which is normally good for First Contact Resolution (FCR), C-SAT and CES (customer effort score). However, many have also stopped measuring this on a management level but we need to keep track of productivity; some advisors

Metric (per advisor)	Bright Index (1000 seats/agent)	Top performers	Diff.	WORTH (£500 agent centre)
Annual cost	£38,000	£23,000	- £15,000	£7.5M
Calls per day	45	93	+ 48	£9.5M
Absence per annum	6 days	0.2 days	6 days	£420k
Avg. talk time per day	180 mins	294 mins	+ 114 mins	£4.5M
Attrition per annum	17%	1.3%	16%	£400k
				£15-20M

*Includes outsourcers and offshore.

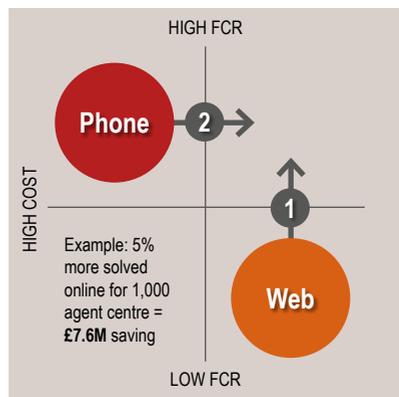
can deliver the same level of great service handling 80 calls or emails per day as those that handle 50. (If you are responsible for other areas than the contact centre, bear with us we will come back to other channels soon).

It is finding the actual breaking points for all of these metrics that will propel you into best in class and to do this you need to have a **full grasp of advisor productivity and costs, in parallel with customer satisfaction and advocacy generated at an advisor level.** The below graph shows the power of combining the two. Previously Bob's team leader



These are also a great source for identifying issues where answers should be put on your official web FAQ's to drive down avoidable contacts. As an example, a recent malfunctioning laptop in the Bright office was simply fixed by a solution found in an online user forum. However, there was no mention of this on the supplier's official support pages for the computer, despite being a problem shared by 5,000 other customers.

The cost saving potential of self service is huge and the impact on reduced transactions into contact centres needs to be factored in when analysing things like AHT, FCR and NPS. A company handling 50% simple queries v. one that resolves these through self-service will have significantly different contact centre challenges.



Advisors per team leader, an overlooked metric? When researching differences amongst the top performers, we analysed 1,000 reviews and saw that the centres with 8-15 advisors per team leader had significantly better results on all of the key metrics. Above 15 advisors per team leader the results worsened dramatically, but under eight the results stayed the same.

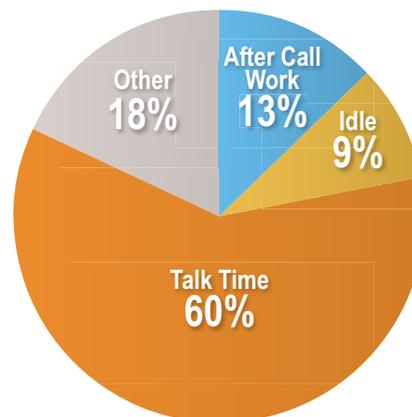
may have thought he was the best advisor as he took his time with customers and therefore scored better at customer effort. However, it is in fact Mary who is the top team member, twice as cost-efficient yet driving customer retention better thanks to her lower customer effort score.

Self-service cost reductions and the importance of comparing apples with apples.

At the same time as you hear friends complain about endless IVR menus, in our benchmarking we see that the top performing centres have a higher percentage of self-service calls. Customer's value self-service when it is set up well and the cost benefits are significant. Mobile customer service is a fast growing area, with apps and mobile ready websites handling many of the information exchanges previously provided by a contact centre or an IVR self-service solution. Equally growing and beneficial to companies are forums and communities that we should embrace and sponsor.

Utilisation level, a political minefield. The spread of results here is symptomatic with the wide range of performance levels in the contact centre industry. The lowest utilisation level (incoming calls and talk time compared to the resources assigned to handle them) in the latest Bright Index benchmark was 25% and the highest 132%. In the first case, the centre is extremely over-staffed; in the latter the advisors start every day knowing that they will not be able to handle half of the calls coming in. Both are equally demotivating and neither cost-efficient. A recommended level is between 70-80%. Above this we start seeing negative effects on absence and attrition. However, don't mistake this metric for total talk time per advisor per day which, as shown below rarely goes over 60%.

Benchmarking is a great operational tool to highlight areas of improvement. It is also an invaluable political tool. We have had clients telling us that CEO's with little knowledge of contact centres have hinted at making redundancies when seeing 50% talk time figures. But when seeing that even the most efficient centres in the UK do not achieve more than 60% (see chart below), it puts the metric into perspective.



Social media, what it is and what it certainly isn't.

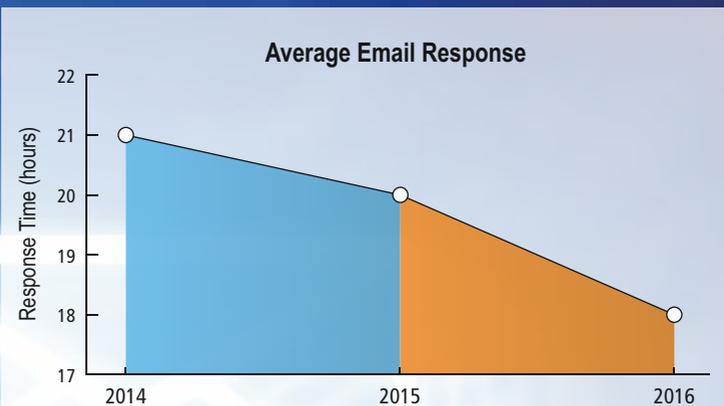
When things go wrong, social media can be like word of mouth on steroids. Therefore, it absolutely needs to be monitored and managed. The percentage of contacts originating from social media though, and customers preferring it as a channel to solve a query is still as low as <1%. At CX conferences it is given an inflated amount of attention compared to the traditional channels of phone and email, still sitting at 80 and 20% of received contacts respectively. Sometimes to the extent where it is said to now be more important than any other channel.



The graph shows "An average advisor day" of top performers in the Bright Index benchmarking.

For average results see the trends section.

How to benchmark performance



The conundrum of target setting for email service levels.

Despite still accounting for 20% of contacts to companies (not factoring in “contact us” buttons on web and apps) the average response time is 18 hours despite some improvement over the past 3 years. This in stark contrast to 80% of calls being answered within 2 minutes. As email remains customers second favourite channel to solve queries (Ovum), this has a significant detrimental impact on service experience.

Efficiency

- Cost per contact
- Contacts per agent/day
- Self service
- Sales
- FCR

Quality

- Abandonment
- Hold time
- Training
- Employee engagement
- C-SAT

Resourcing

- Utilisation
- Attrition
- Ready time (call time and wait)
- Absence
- Agents per team leader

So, you have this feeling that you are at least better than the average centre out there. First of all; is it true? And how do you know what targets to set to reach best in class? And finally, how do you know when you’ve got there? This can only come from external benchmarking; comparing your own performance metrics and C-SAT results to those of peers and other centres. Remember that if it’s measurable, it’s benchmarkable.

Very often you will be surprised by the findings. It is easy to misjudge our own performance and think that we are worse at things than we actually are. A benchmarking exercise helps you prioritise and spend time, budget and resources where they are really needed.

Benchmarking against your own sector is of course the biggest initial interest - they have the same challenges as you do and especially when looking at productivity metrics it is vital that you make sure you are comparing apples with apples. However, a cross sector average is also important to cover, particularly for quality metrics. Not many bank customers call other banks than their own, but they will however call their telecom/utility/health service’s centres and that is where they will form their overall opinion on what good customer service is!

Admittedly biased as we offer this as a service, Bright recommends bespoke benchmarking. This enables you to be part of selecting your peer group, making sure that metrics are defined in the same way and most importantly; receive expert advice on how to narrow the gap to best in class.

Other benchmarking methodologies:

- Off the shelf reports can be a great low cost starting point but they will not give you bespoke recommendations and you can’t choose your peer group.

- Management consultancy firms will give you great models and structured recommendations. However, they can be extremely expensive and often based on only a handful of companies’ data.
- Mystery shopping is a great tool for monitoring how advisors sound and behave but may not tell you why the results are what they are. Companies also often carry a small sample of reviews. If a centre handles one million calls per year, then 500 mystery calls (0.05% of the calls) will neither be statistically secure nor allow you to break it down in order to drive change.

Remember that if it’s measurable, it’s benchmarkable.

The most important rules of benchmarking

Benchmarking has been getting a bad name in the UK due to sometimes-lax approaches, resulting in unreliable data and

non-comparable results. It must follow a few simple but important rules.

- Rigorous quality assurance of the data must be in place.
- There must be one approach to calculating KPIs in order to be able to compare apples with apples. Take a simple thing like cost per call. Some centres measure salaries only, others add on rent, IT costs, tea/coffee, training, recruiting etc. The same applies to FCR, absence, training... the list goes on.
- The exercise must cover relevant areas and show how they are linked.
- The number of participants has to be large enough.
- For efficiency metrics you should be benchmarked against peers handling the same type of contacts as yourselves. If competitors are of a different size or have different opening hours, this needs to be factored in as well.

Benchmarking outsourcing relationships

Very few outsourcing clients are able to quantify the benefits their outsourcing arrangements give them and only a staggeringly small proportion of companies use independent benchmarking to measure the success or otherwise of their outsourcing contracts.

A KPMG report on the value of outsourcing reported that of the 659 companies that took part in their survey only 47% of respondents felt their outsourcing arrangements contributed positively to their business. However, 89% suggested they will either maintain or increase their current sourcing contracts.

What's more 42% of outsourcing arrangements are not supported by a formal strategic measurement framework. Almost two-thirds of the respondents interviewed either tracked benefits at an elementary level or did not track benefits at all and 72% of the customers reported that they do not have the benchmark for measuring the success or failure of their sourcing arrangements.

It seems the need for companies to adopt coherent benchmarking measures of strategic success has never been more important!

So why should outsourcers get ahead of the curve and start embracing benchmarking?

It is not uncommon for an outsourcer to have apprehension when a client expresses a desire to conduct some form of assessment. Fear of showing

full transparency, disagreements around which metrics should be included in SLA's and a general anxiety that the benchmarking won't compare apples with apples are all understandable concerns.

But if the assessment has a robust and credible approach the results can provide both outsourcer and client with valuable insight which will not only help to strengthen the relationship but will also help the outsourcer stay competitive.

Typical outsourcer benefits include: Longer client contracts and more involved/engaged clients. Outsourcers will also

find that proposals which include independent benchmarking in the SLAs will provide prospective clients with a far enhanced service offering. Robust benchmarking will also allow you to show the client that you are outperforming in-house centres on costs (most are) yet doing well on metrics like FCR, NPS and C-SAT which is often a client's biggest concern.

It is however worth remembering that when making comparisons (for example cost per call) it is extremely important that the benchmarking supplier knows what they are doing and compares like-for-like. An outsourcer's fee includes everything, but most in-house centres do not factor in things like finance, utilities, IT costs or even telephony, because these are paid for centrally.

The value to the business outsourcing

If companies are really going to reap the benefits of their outsourcing contracts they owe it to themselves

Robust benchmarking will also allow you to show the client that you are outperforming in-house centres on costs (most are) yet doing well on metrics like FCR, NPS and C-SAT which is often a client's biggest concern.

to make sure they are properly benchmarked. Significant opportunities exist for organisations to capitalise on the strategic value of outsourcing, they just need to know where they are and what to focus on. A framework to measure success is imperative for the long term and sustained success of an outsourced partnership as simply going on a gut feel or anecdotal evidence is not enough.

The technology solutions available today will let you have access to all of the key three performance management areas (productivity, employee engagement and customer satisfaction) in real-time even though you are not on site, enabling you to track performance levels from a far.

In addition, we'd recommend that you conduct an annual benchmark of the 20-30 most important metrics, so that you get validation that you're getting value for your money, but also that the development of your outsourced operations is focusing on the right things at the right times. It is truly a great exercise to build your partnership around.

Regardless of whether you are a client or supplier, many of the best functioning BPO relationships show that benchmarking plays a key part in their success so hopefully more companies will start embracing the true value independent benchmarking has to offer.

How Bright benchmarks

When benchmarking performance in contact centres, we initially gather data for over 60 different metrics and ensure that we base the performance on exactly the same definitions from participant to participant. The next step is finding the right peers to compare with amongst almost 100 annual participants, which we do through a mix of criteria. For example, sector, size and opening hours, but above all; the type of contacts that the centre handles. Even in the same sector, different centres and teams' challenges can vary significantly.

The data gathered is based upon a six-month period which is enough to avoid temporary fluctuations but frequent enough to use the findings as a steering tool operationally. The benchmarking report is then produced and presented together with actionable recommendations twice a year.



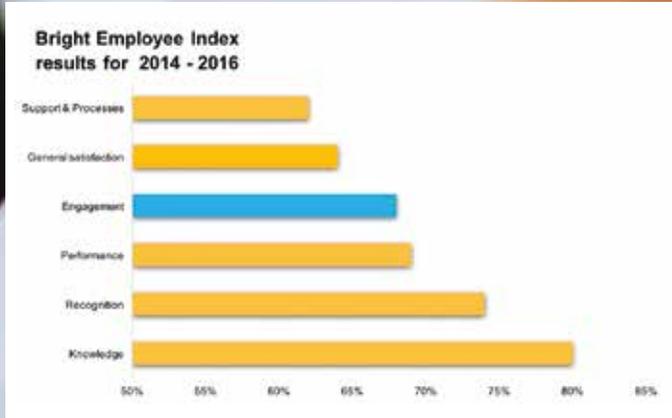
April 18, 2013, 4:00 a.m. ET

TSYS and Nationwide Building Society Contact Centre Named Top Quartile Performer

COLUMBUS, Ga. & LONDON--(BUSINESS WIRE)--April 18, 2013-- TSYS (NYSE: TSS) today announced that its Nationwide Building Society contact centre which it services has been named among the top 25 percent financial services contact centres in Europe for 2012. The recognition was given by Europe's leading bespoke contact centre benchmarking survey, Bright Index.

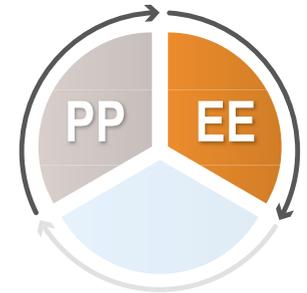
Example: An outsourcer and their client share the success of their partnership in the world press.

5 Improving employee engagement



N.b. we are not talking about staff satisfaction here, something that can be boosted by salaries and free donuts every afternoon. Engagement is a fundamental wish to help the customers and the company to succeed. To drive employee engagement, we need to at a minimum measure how staff feel about achievement, recognition and development. Benchmark how you are performing against those metrics, show the GAP analysis to your team leaders so they know what to focus on, and you'll have a great hands-on tool to increase your staff engagement. It will also reveal which of your team leaders are true leaders and motivators and who are not. Do this quarterly and it will contribute significantly to building your self-improving organisation.

Over the last decade, the customer service industry has experienced extreme changes in attitudes towards staff. We now see a more stable focus on both people metrics such as number of training days, advisor v team leader ratio etc., as well as an increased interest in employee engagement and customer satisfaction scores, as opposed to solely looking at productivity metrics.



A high level of staff engagement is imperative to get anywhere near best in class performance. However, it is one of the more difficult challenges to overcome because it often involves changing company culture, which can take years to achieve. So how do you make sure that it is being improved continuously and automatically?

What does our baseline really look like?
The opposite graph shows aggregated scores for three years of measuring clients employee satisfaction, with an average of 35% dissatisfaction.

The reasons vary from company to company but the area 'Support & Processes' was, and still is, by far the area that gets the most negative response.

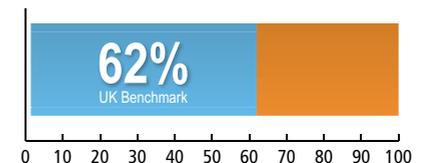
Companies are starting to realise that staff engagement drive both C-SAT and productivity. A positive and proactive advisor will take new targets on board and try to reach them, have less absence, solve problems themselves and in turn increase FCR and have a positive impact on contact centre performance. They have to be given the mandate to be a proactive problem solver though, which is often not the case. The simplest way of making an organisation pay attention to the power of engagement, is to show the correlation of retention with scores like NPS and CES; the link is clear. Driving change automatically will come through highlighting engagement drivers and retention on a regular basis in scheduled reviews and including it in score cards.

“Staff engagement is imperative to get anywhere near best in class performance but one of the most difficult things to achieve”

An astonishing 62% of contact centre advisors say that the technology in place actually hinders them more than helps them in their work. Another reason for these results not being better is a lack of

appropriate staff - 15% say they do not enjoy talking to or helping customers and should frankly never have been hired.

Percentage of agents that said “the technology in place hinders me helping the customer”





Three

Creating powerful arguments for change by benchmarking performance

3 is the fastest growing mobile network in the country, which now covers more than 97% of the UK's population. Known as the 'network for the Internet', 3 specialises in making it easy to access apps, websites, and streaming content from the comfort of your smartphone.



The Challenge

Senior management wanted to establish if the Contact Centre was operating at optimum performance but a lack of insight led to decisions being taken based on opinion. In addition, there was no way of telling if what was being measured was having any impact on the customer experience.

The Solution

Bright Index was employed to compare over 60 operational metrics, such as speed of answer and IVR journey time, with other organisations across the country. Crucially, it allowed the management team to have an objective view of what good looks like. This meant they could set the right targets for business processes and has led to a huge increase in efficiency – as well as boosting customer satisfaction.

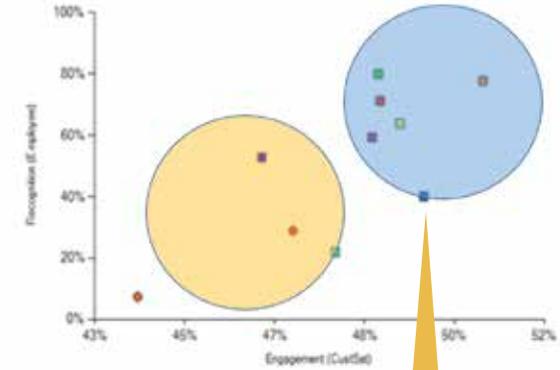
The Result

- The direct impact of using Bright Index has:
- Taken the emotion out of setting targets
 - Allowed senior management to prioritise initiatives based on customer impact
 - Driven down self-service journey times to being some of the best in the country
 - Sustained improvements to NPS and First Contact Resolution rates as a result of operational changes
 - Led to £millions in savings thanks to a reduction in incoming calls and call transfers

“Before having the Bright data, moving away from the traditional 80/20 Service Level was an emotive subject and not an option. Now we have external benchmarking data, I can have those conversations based on facts rather than just my opinion.”

Linking customer and staff feedback to evaluate team leaders

The “Bright Navigator” tool enables users to find correlations between advisor engagement and customer satisfaction. (See example graph) this helps managers identify team leaders that are indirectly driving down metrics such as NPS due to not giving their advisors enough recognition.

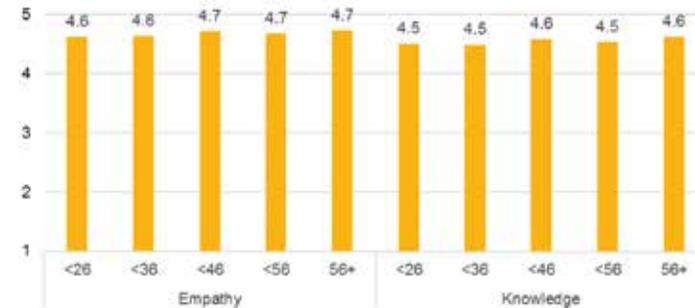


Does gender or age affect the customer experience delivered?

From time to time we dip into our SQL databases to get hold of research insight where we are slightly wary of the outcome. Luckily in both of these instances it showed us that personality and attitude is what matters when recruiting. Customer satisfaction scores are unaffected by CS advisors' age and gender.

These team leaders score much higher on “Recognition” by advisors AND (thus) customers find their advisors much more engaged and score higher on Customer ease. Recognition -> Engagement -> C-Effort -> NPS

Agent C-SAT v Age



Graph shows customers scoring advisors of various ages on empathy and product knowledge.

You already do your own companywide employee survey?

You can use it to achieve all of the above but we often find organisation wide surveys are too long, too infrequent and most importantly, not relevant

to the respondent. It's difficult to design a survey that fits the many roles of a large company. Bright's recommendation is doing a specific CS staff survey, with no more than 20 questions, followed by quarterly

shorter pulse surveys, and then benchmark the result! Doing an internal survey only tells you if you are better or worse than the last time you measured, as opposed to if the scores are actually good, bad or excellent. Always include room for free text feedback as this will provide greater insight and allows for feedback on areas you haven't thought of asking about.



Genesis

Building actionable insight into daily life

As one of the UK's leading housing associations, Genesis own or manage around 36,000 homes across London and the east of England. Its stock portfolio includes a range of properties, from temporary housing to rented homes, homes for sale, and supported housing. Genesis builds 1,000 new houses a year and at any given time there are around 100,000 people living in a Genesis home.



The Challenge

A clear strategic goal for Genesis is to improve the level of resident satisfaction. However, when a new customer insight team was assembled, they quickly established that some basic metrics of operational performance were lacking. What's more, the team had a very limited view of how residents viewed the association, or how levels of customer satisfaction compared to other organisations. A customer strategy was urgently needed to make sure residents were receiving improving levels of service.

The Solution

After investigating the contact centre solutions market, the customer insight team decided to engage with Bright to provide an overarching view of the entire customer service operation. This consisted of Bright Index to identify which internal measures would have the biggest impact on customer satisfaction, Bright Navigator to monitor customer opinion of how services were delivered and provide actionable insight, and Bright Employee Engagement to ensure frontline teams felt confident in the strategy to improve resident satisfaction.

The Result

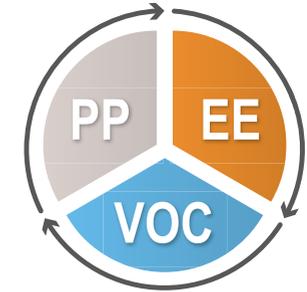
Over the last seven months, as a direct impact of this holistic approach:

- Customer satisfaction with how specific services had been provided has increased by up to 10%
- Performance has improved in more than 80% of customer service measures
- The average time to answer a call has decreased from 100 to 80 seconds
- 10% increase in efficiency in calls per agent per day
- Gaps in training and coaching were identified
- Team members and senior managers alike can more easily discuss customer service performance

Our Voice of Customer programme enables us to identify customer needs, understand where the blocks or barriers are and how to remove them to offer a better service

6 Voice of customer best practice – the basics

When you have your performance platform in place and employee engagement is high, collecting and using customer feedback is the final piece of the insight puzzle when creating a self-correcting organisation. But you have to do it in a structured way. The most common mistakes we see:



- Measuring customer satisfaction at an enterprise level and not staff level.
- No automatic feedback to individual staff.
- Surveying too late. Two weeks after an interaction has taken place customers have either forgotten about the contact or confuse it with calls to their other suppliers over the same period.
- Basing analysis on too small a sample size.

All too often we also see CEOs with the opinion that anything to do with customer satisfaction should sit centrally as part of the marketing function. We are finally seeing a shift here with companies focusing more on CX and the entire customer journey, as well as realising VOC solutions will have a significant impact on the company's market position with 30% more loyal customers as just one of the outputs. This improvement comes from driving change at 3 key levels.

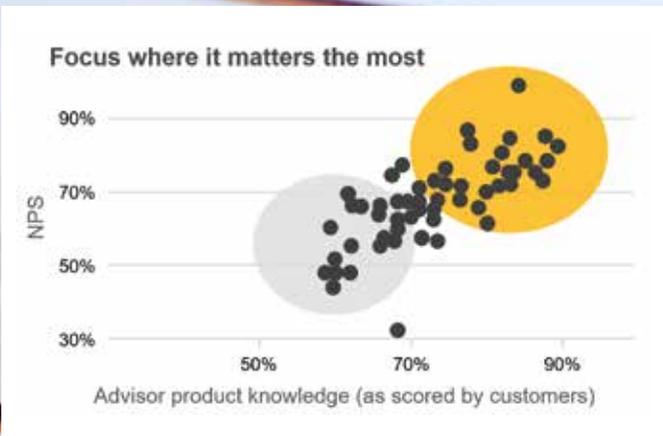
Level 1: Making C-SAT surveying accountable and actionable

Asking customers what they feel when they hear your brand name will not help drive change in your CS Operations. Instead you need to be able to link the feedback to a recent call to your centre (or web transaction, branch visit etc.) and break it down to advisor or at very least team level, making it accountable. Bright recommends carrying out a minimum of 20 surveys per customer facing staff member per month. Only when you see who is affecting C-SAT or NPS positively/negatively, can you do something about it.

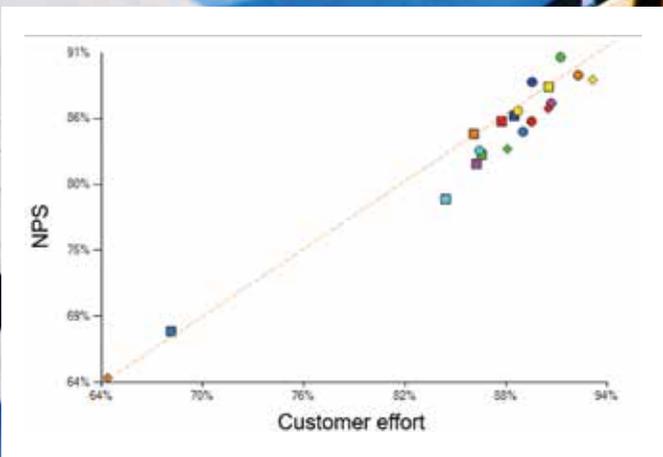
When doing instant post call surveys and feeding back the results to staff, we see metrics like FCR and customer satisfaction increase significantly. There is an element of competitiveness behind this but mainly it comes from the staff member actually seeing that they are making a difference for the first time. They can also experiment with the way they handle customers and see what effect that has on their scores. For instance, if they make an effort to sound happier on calls, and this results in better customer satisfaction scores, they will repeat that behaviour. Thus, sharing the results at staff level creates a self-developing and self-learning organisation.

Level 2: Empower your team leaders

Equally powerful is putting customer feedback analysis tools in the hands of your team leaders. Instead of spending time analysing and scoring advisor contacts, they can use feedback direct from your customers. Combining this with insight into what actually drives your targets, they can improve their effectiveness further by focusing their time on the underperforming staff. For managers that aren't very comfortable with confrontation (and you will invariably have a few) an additional bonus is that in one to ones it isn't them telling the advisor that they need to improve, it's the customer.



Graph shows an example of a correlation in the Bright Navigator V.O.C tool, helping a manager define the advisors that drive loyalty and not. Previously this company had no way of knowing whom or what was driving their NPS and the results was a significant move in their scoring.



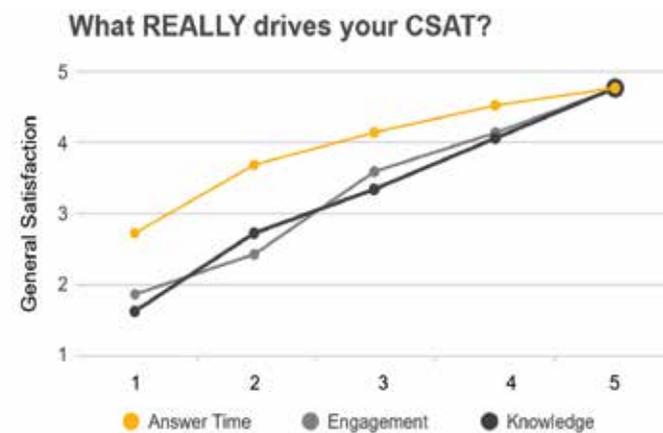
Customer Effort can be used as a more appropriate measure of customer service operations than NPS. There is a clear correlation between the two measures making the use of both redundant for operational level reporting.

Level 3: Help site managers find out the real drivers of CES and NPS.

If forced to single out one area where contact centres have gone wrong in the past, we would point to them measuring what is easy to measure and not necessarily what is relevant. As an example let's look at the "80/20 target" (80% of calls answered in 20 seconds). Few centres reach this mark and yet it is still ever-present, driven by senior management's desire to have one metric to focus their efforts on. More importantly many centres genuinely believe that achievement of this target is the most important driver of C-SAT, CES and NPS. However, when measuring what impact a reduction in hold time of 30 seconds has, we see that it hardly affects C-SAT at all. Conversely, just a small dip in FCR or employee engagement sends customer satisfaction plummeting. See the graph above looking at a sample of drivers.

C-SAT, NPS, CES or...

We now see the same 80/20 focus happening with NPS and CES (Customer Effort Score). The 'one ring to rule them all' idea is a nice one but unfortunately we need to monitor many more performance metrics to get the full picture. Having said that there is a strong case for using customer effort as a score for transactional surveys (as opposed to NPS for brand feedback) and it sits more comfortably alongside the other questions normally used.



The graph shows the results of 500,000 customer satisfaction surveys by Bright and the correlation between three metrics and subsequent scores for overall satisfaction.

Speed of answer does affect satisfaction but customers very dissatisfied with speed of answer went on to score overall satisfaction average. Customers dissatisfied with advisor engagement or product knowledge however, went on to score overall very dissatisfied.

NB. These are cross sector results; you need to find out your company's own drivers.

As many of our clients have NPS as a key target we still ask their customers if they would recommend them. However, after showing them the direct correlation between CES and NPS, as for a leading UK bank, many have now switched to CES which is more relevant to their customer service departments.

Shop Direct Group

Cost effective business change whilst improving customer satisfaction

Shop Direct Group is the UK's largest online and home shopping retailer with brands such as Littlewoods.com, Very, isme and Woolworths. At the heart of its business is its Customer First initiative, aimed at providing an unrivalled personal home shopping experience that delivers outstanding customer satisfaction.



The Challenge

Shop Direct introduced the Customer First initiative, but had no 'voice of the customer' and no way of knowing what to change to improve the customer experience whilst saving costs.

The Solution

Bright Index was used to benchmark contact centre performance. Bright consultants identified specific areas for improvement that would support the Customer First initiative and save money. Shop Direct also invested in Bright Navigator, the Customer Satisfaction tool, to gather and analyse customer feedback, to drive change in Advisor behaviour and improve the CSI score.

The Result

Employee engagement scores have increased from 50% to 70%+. CSI scores for the group are expected to increase by 1% (driven largely by a 20% increase of customers very satisfied with the contact centre experience). Improving the online service experience delivered an increase in online sales by 20% and email response SLA's have been slashed from 24 hours to four hours. The Bright solution delivered an ROI within three months.

6.1 Voice of customer best practice – the next steps

Use customer verbatim to drive down avoidable contacts generated elsewhere in your organisation.

A key benefit that companies get from gathering customer verbatim is that it hits staff right in the gut when played back in one to ones. They get a much better understanding of what is making customers happy and others furious, whether it's due to the advisor, branch or website. And if negative feedback is beyond their control, this is uncovered. The same goes for the CS departments as a whole, who are often blamed for any C-SAT dip regardless of the cause.

Even more value comes from being able to list customers' top 10 gripes and use this to do root cause analysis and thus increase FCR. Here also lies one of the major opportunities for our industry to raise its game. A majority of centres still do not have a structured way of measuring why customers are contacting them or why some are unhappy. Last but certainly not least, the benefit that will put the centre on the bigger organisational map. For just as long as we have been trying to prove the value of customer satisfaction, we have been advocating the power of using the contact centre as a real-time information hub for the entire organisation. Millions have been invested in CRM



systems and data warehousing solutions but now contact centres are showing a much simpler way of doing it. The enabler is the arrival of low cost customer survey methodologies that allow us to gather large volumes of verbatim comments. Even if using IVR surveys, sound files can now be accurately converted into text at a very low cost, enabling further data mining and sentiment analysis of a large volume of responses. And automatic alerts can be triggered by scores in combination with key words and phrases.

Use the top 10 gripes to get a monthly audience with your CEO to show that most of them are outside the CS departments reach.

Bright Index gives us evidence into the channels that are fast growing for us; such as interacting with customers through email and the web. We have observed these channels develop over time and have adapted our service offering accordingly. For example, the 24 hour email SLA was too long, so we reduced it to four hours.

7 Preventing survey fatigue

The power of automatic alerts

The development of alerts based on customer feedback has helped many of our clients leap towards a fully self-learning organisation as well as a more cost-efficient one.

This comes from three key benefits:

- Data can be shared with other departments who have caused the customer dissatisfaction. Hundreds of comments will be captured each month about a process being wrong, for example deliveries not turning up or engineers having left a mess after fixing their boiler.
- This insight can be shared automatically and will hopefully force these departments to up their game.
- Subsequently this will reduce the number of avoidable calls into customer service and thus costs. A CCA report recently cited a saving of 5-10% from initial projects.
- The status of the contact centre will change from a 'necessary evil / cost centre' to a business intelligence hub, helping the company keep their finger on the pulse, at no extra cost!

TOP TIP!

Use the top 10 gripes to get a monthly audience with your CEO to show that most of them are outside the CS departments reach. After seeing the same ones being listed month after month, he/she will help you "crack the whip" and reduce the number of avoidable contacts into the CS centres.

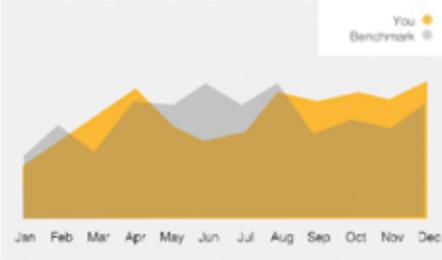
The Bright version of this as shown below in our CEO reports, have themes that are linked to the actual surveys. The top 10 list is powerful but when clicking on one of the issues it brings up all surveys with customer verbatim mentioning the theme along with a sound clip of customer comments describing the issue making it really hit home.

The Bright Customer Experience CEO REPORT

TOP 10 GRIPES

1	Deliveries	85%
2	Pricing	80%
3	Speed of answer	70%
4	Products	69%
5	Bill	60%
6	Website	58%
7	Staff	55%
8	Store	54%
9	Marketing	53%
10	Other	51%

OVERALL CUSTOMER SATISFACTION V'S EXTERNAL BENCHMARK



Voice of customer solutions are a brilliant tool for creating self-correcting organisations but there is a significant threat to this resource that we need to address collectively before it's too late; **survey fatigue**.

A big percentage of the population don't vote at general elections because they don't think it will make a difference, and it's the same with answering surveys. Customers also feel increasingly pestered with too many, too long or too irrelevant requests for feedback. This can be addressed in a number of very simple ways (yet so many companies fail at one or several of these). Turning attitudes around is going to take a long time so we have to start immediately.

Show the customers that you are taking feedback on board.

Be transparent, for example on your website and in e-mailings why not add things like "In our surveys you told us your top 10 wishes for improvement were... and this is what we're doing about it".

A big percentage of the population don't vote at general elections because they don't think it will make a difference, and it's the same with answering surveys.

Survey sparingly, at the right time, in the right place and in the right way.

Most VOC solutions today can track if you've surveyed a customer before (based on e-mail address or phone number etc.) making sure you don't survey them again in the same 6-month period. They may have more interactions with you

during that time but in the interest of driving down survey fatigue, resist surveying them again. We are all in the same leaking boat on this. Bright recommends 20 surveys per contact centre advisor and month, anything above that is overkill. For websites, apps and branches, it depends on number of visitors.

The best channel to survey the customer in is the one they used to contact you and if it is by phone, call them back within 10 seconds. This will have a positive impact on take-up rates as the customer finds it less intrusive and they are unlikely to have started doing something else like cooking, driving, shopping etc.

Keep it short, and be more proactive!

Bright recommend using a maximum of 5 questions and then asking the customer to leave a free text comment or voice message about their experience. If you are using automated IVR surveys also make sure that you mention it will take no longer than 2

minutes or they will fear the worst and be resistant to taking part.

We are all busy these days and typically don't bother with long questionnaires anymore. You can still get as much out of the verbatim as you would from asking lots of questions, by using text analytics software. Especially if you are brave with your phrasing.

Drive your business in real time with the voice of your customers

Knowing what your customers really think is critical when exploring ways to improve the service you deliver to them. Having access to this information in real time supports you to create a self-learning organisation proven to increase customer satisfaction by 30%.

Bright's customer satisfaction surveying tool was designed based on over 10 years' analysis of top performing customer service organisations. The key features helping clients improve are:

- Accountability**
 If you can't break down customer feedback to the person responsible for it, you cannot drive change. Navigator shows staff, teams and departments side by side making it easy for managers to focus their support.
- 360° feedback**
 Even before any 1-2-1s have taken place, staff see their own results and the reasons for the customers' scores, creating an automatic self-learning environment.
- Intelligent analysis**
 The Bright Navigator incorporates simple to use tools helping you to identify the REAL drivers of your net promoter score and customer satisfaction, as well as the breaking points for them. This enables you to optimise your organisation's performance, delivering maximum quality at minimum cost.



The invitation process is key, bland invites to leave a comment will only get the very satisfied and very dissatisfied leaving constructive feedback. If you however ask a simple question like "was there anything we could have done better?" people will feel less embarrassed to give you tips on how to improve. Picture yourself in a restaurant, you are far more likely to give feedback about the overcooked steak or loud music after that question compared to the standard "was everything ok?"

Which basic questions should you ask?

The reason for having any questions at all (as opposed to just verbatim) is to 1. Drive the number

of answers around your KPI's and 2. Enabling correlation analysis. For the latter we recommend one 'overall satisfaction' question such as general satisfaction, NPS or customer effort. Then measure other drivers of this such as advisor engagement, knowledge and speed of answer to determine what factors actually drive your overall KPI's and to what extent. Use verbatim to update your questions regularly, as your need for focus will change.

Similarly, for websites and branches, ask an overall question then about navigation, speed, FCR, ease etc. and finish off with an open question.



8 A selection of common metrics benchmarked

Contact Centres are generally improving from year to year but still struggle because of the increase in call volume and complexity. However, there are many misconceptions around our most common KPIs.

Let us take a look at a few trends, all based on participants of the Bright Index.

Quality trends

We touched earlier on the fact that the service level 80/20 target originates from default reporting settings, and not what customers demand or companies prefer to deliver. This is in fact a hygiene factor and less customers will get irate now that 67% of calls are handled within 20 seconds.

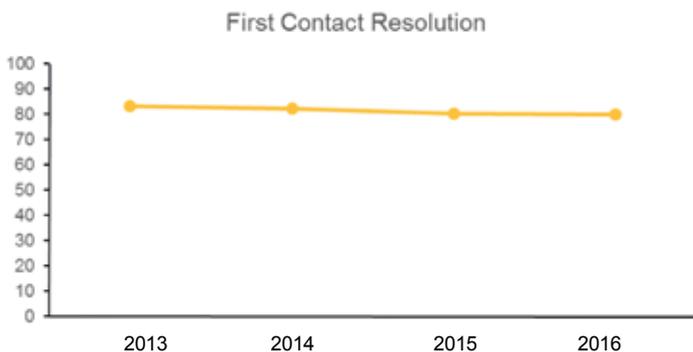
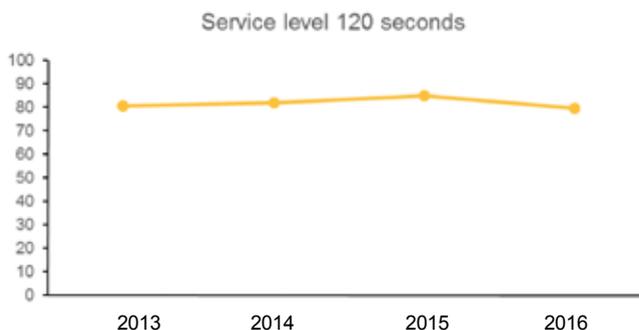
When we measure service level in parallel with customer satisfaction, we see a cross sector breaking point of 90 - 120 seconds, meaning that customers start scoring

their general satisfaction low first after waiting that long. Find your own breaking point and set your target to 100% of that, there may be significant cost reductions possible.

When we measure service level in parallel with customer satisfaction, we see a cross sector breaking point of 90 - 120 seconds

in self-service solutions is behind this, but the longstanding culprits are still there; silos, lack of mandate and poor system support.

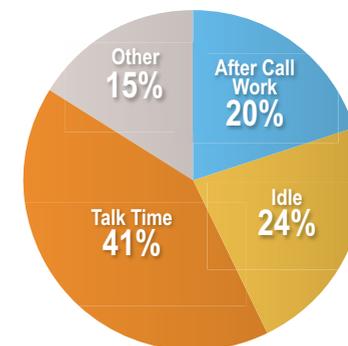
Over the last two years we've seen a small but steady decline in FCR. Throwing out average handling time has not had the effect many anticipated. To some extent the increase of handling simple calls



Efficiency trends

Utilisation remains something most centres struggle with. Many work with several systems increasing their after call work time, others have processes that slow things down or problems with engagement resulting in low productivity.

Even top performers only get 60% talk time per advisor per day. The trick is to make sure that time is being spent handling calls that need to be handled by staff. Let the simple queries be handled by IVR and web solutions, and feedback incidents and problems to the relevant department in a structured way. This will minimize repeat calls about the same issue. Also try and handle things like email during idle time.

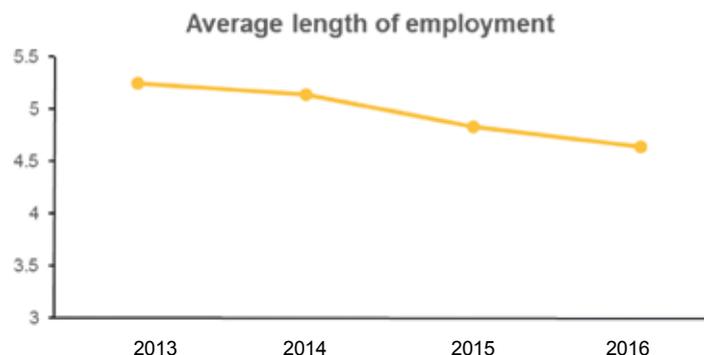


Graph shows a breakdown of an average workday for a Telephony FTE. It is based on total time offered to customers and number of FTEs working with calls.

Attrition is another area where our industry often suffers from the media grouping in-house with outsourced and outbound centres. Outsourcers often have shorter projects and will thus automatically have a fluctuating demand for staff.

If we analyse in-house centres only, they actually have a very long average length of employment, albeit down from 5 years to 4.5. Attrition varies enormously though from centre to centre, in fact as much as between 0% and 100%.

These metrics are just a selection of the 60 we have been measuring since 2000. Note that industry averages are just that, there are vast differences between sectors (types of centres, queries, size etc.). If you are interested in your specific sector, a specific KPI, or finding out how far along the road you are to best practice you will find our contact details on the back page.



9 Summary

As mentioned, there is no silver bullet for achieving world class customer experience. There are however several things that you can do in your customer service departments which neither require a lot of investment nor time, but will have a positive impact. Having reviewed most of the top

performers in the UK, we know that if you follow the five milestones described in this guide you will significantly speed up your journey to best in class and, make it stick!

Best of Luck!



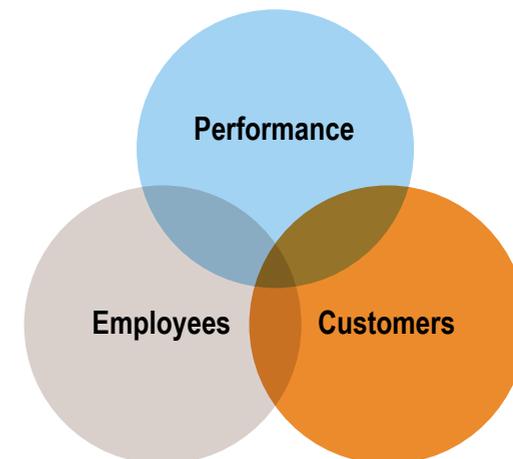
10 About Bright

With over 1,000 reviews of contact centre performance to date and millions of customer and employee satisfaction surveys delivered annually, we have identified three areas that need to be monitored continually: internal performance, employee engagement and customer satisfaction. These drive each other as well as directly impact your bottom line! The Bright solutions cover all three areas of measuring as well as providing expert customer experience consultancy to interpret the results and offer a realistic action plan for change.

- Performance benchmarking**
 The Bright Index™ gives companies the most reliable, relevant analysis and benchmarking of internal contact centre performance available. Every year up to 100 participants get 60 internal KPIs analysed and benchmarked by a senior consultant as well as receive a GAP analysis and recommendations on how to improve.
- Employee engagement measuring**
 Bright Employee Index™ monitors staff satisfaction, engagement and support. Not only are all areas that drive customer satisfaction measured but the factors that affect these areas, so that management get a hands-on tool to drive change.

- Customer satisfaction measuring**
 Bright Navigator™ provides automated post contact surveys, broken down to team and advisor level. Management have access to instant results, advisors see their own results creating a self-developing and self-learning organisation. It also covers channels such as Web, Field, Branches and Social media, giving clients one view of the entire customer journey.
- Intelligent reporting**
 The output of all three modules is presented in real time in a user-friendly dashboard with access levels available for managers, team leaders and advisors.

Join the discussion in the LinkedIn group: **Bright Customer Management**





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