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Customer First:

Personalizing the Customer-Care Journey

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Introduction

Companies across industries are adopting a more customer-centric posture, resulting in a reevaluation of their customer-care strategies. While care has traditionally been viewed purely as a cost center with a focus on executing efficiently, executives are increasingly more aware that customer interactions and associated experiences are key in shaping customer impressions of the company and its products or services. Today's customers are omnichannel, and they want seamless transitions and a consistent experience from one channel to the next. Customer-care functions that can excel at personalization, sincerity, empathy, and the quick resolution of requests can better differentiate their company from the competition.

In the past, executives had to make clear trade-offs between operating expense and customer experience. In more recent times, enhancements to web and mobile-app channels have resulted in reduced call volume but often at the expense of customer experience. However, with more modern, customer-oriented technologies, organizations can now strive for both. When executed well, semiautomated omnichannel journeys can reduce operating costs *and* provide a better customer experience. New technology-enabled tools—such as virtual agents, natural language processing–based chatbots, and visual interactive voice response systems—effectively engage with consumers in digital channels while also acting as gatekeepers when live interactions are still necessary.

In addition to enhanced experiences, increasingly sophisticated self-service tools are providing users with unprecedented control and visibility while also providing companies with new ways to connect to customers—for example, through social media. These enhanced digital channels help generate new data sources that companies can analyze to further improve their service and increase personalization. All of these factors culminate in a more customer-first operating posture.

This compendium's four articles showcase what is possible when companies put the customer first.

"How to capture what the customer wants" discusses an overarching strategy to map the omnichannel journeys of customers. Companies must first understand what matters most to their customers before they can design an engaging customer

experience. By having the customers themselves help design the experience process and using data across touchpoints to personalize the experience, companies can build a better customer journey.

With an omnichannel approach in place, organizations can then integrate technology to achieve more personalized customer service. Two articles highlight powerful applications. "How advanced analytics can help contact centers put the customer first" details how companies can use data and analytics to truly understand customer needs from the first contact forward. And "Getting the best customer service from your IVR" reassesses interactive voice response, detailing the steps companies can take to harness this invaluable tool's full potential.

Despite increasing digitization and automation across omnichannel, people will remain the reason for all customer operations. Providing excellent service is becoming increasingly challenging: the simple customer requests are typically addressed by self-service tools and automation, meaning that agents must handle the more complex ones. In addition, digital leaders across industries have raised customers' expectations for personalization and empathy. "Bringing agile to customer care" demonstrates how agile methodology, especially customer centricity and team engagement, can be applied as effectively in the contact center as in product, digital, and innovation areas.

We believe the insights in these articles provide guidance on issues that many companies are grappling with and chart a clear path toward better customer care. Customer expectations will continue to rise. Will you be able to keep pace? ■

Jeff Berg is a partner in McKinsey's Southern California office, and **Julian Raabe** is a partner in the Munich office.

How to capture what the customer wants

Companies often fail across digital channels because they are insufficiently aware of the real needs and preferences of their customers across omnichannel journeys.

Jorge Amar, Julian Raabe, and Stefan Roggenhofer

Customers now have an unprecedented number of ways to engage with companies, from traditional channels to an ever-growing array of digital modes. Many organizations have responded by investing in digital channels, frequently in an effort to replace traditional modes of engagement. The thinking is that as customers become more technologically savvy, they favor digital channels, significantly reducing the need for live agents and thus saving significant costs. Many companies have expected to save more than 40 percent through reducing live contacts. Yet companies that take this approach often see their customer interactions increase rather than decline, despite significant efforts and resources.

To understand what such companies got wrong in their omnichannel strategies, one needs look no further than digital leaders. Amazon, for example, has also built self-service and e-care capabilities, but with a key difference. Because self-service has thus far largely proven inadequate—that is, customers still often seek out a live agent on the phone—Amazon steers customers to the channels that are best suited to their preferences while also offering digital live interactions and company-initiated contact. So despite being a digital leader, Amazon has designed an omnichannel customer-care strategy in which live agents still figure prominently to handle complex requests, demonstrate empathy, and resolve issues quickly.

Companies seeking to keep pace with industry leaders must embark on an omnichannel transformation—one that views touchpoints not in isolation but as part of a seamless customer journey. And since customer journeys aren't simple and linear but a series of handoffs between traditional and digital channels that can vary significantly by customer type, an effective strategy requires an in-depth understanding of what customers truly want. To design an omnichannel experience, companies should follow a sequential process composed of four essential components:

- Setting the design principles based on an overarching omnichannel strategy.
- Designing service journeys, ensuring that the end-to-end digital and live-contact journeys address identified customer needs and preferences and have clearly defined digital migration points.
- Identifying foundational enablers to support the journeys, featuring multiskilled agents and best-practice contact-center operations to engage with customers live.
- Defining the IT architecture with next-generation enabling technology to support a seamless omnichannel experience.

An omnichannel transformation is the only way for a company to address rising complexity, provide an excellent customer experience, and manage operations costs.

Critical insights to build successful omnichannel strategies

Our research on the future of customer care in 2017 reinforced the importance of omnichannel and digital and the key role that live channels play in creating an excellent experience.[1] Many of the trends we highlighted, particularly the growing number of digital channels, have made the journey to omnichannel more arduous. Three trends in particular are reshaping successful approaches to customer care.

Digital channels have completely changed the ways that customers prefer to interact. Beyond the expectation that information and service will be accessible with a few keystrokes, customers have also become accustomed to engaging with companies through multiple channels. Many customers, for instance, use different channels to gather information on products and to make a purchase. Social media and chat are also rapidly gaining channel share. Companies that believed digital channels would reduce the volume of engagement and the number of touchpoints have been disappointed to find both often continue to increase.

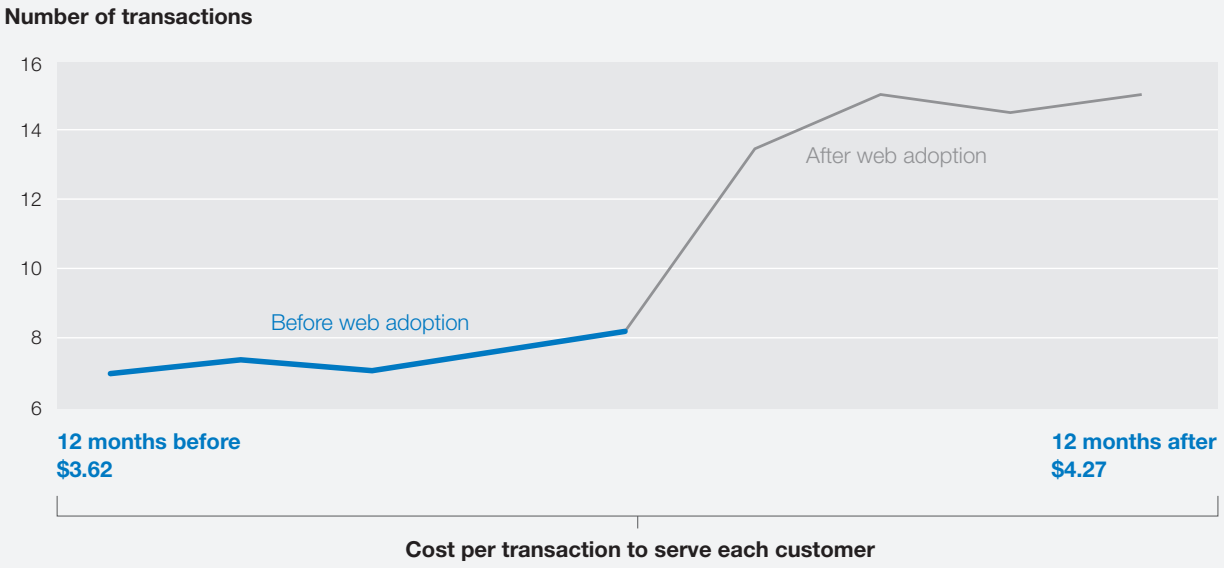
Quality customer care is highly dependent on digital performance. Many companies have subpar digital capabilities that actually increase customer demand for engagement. Indeed, organizations that attempt to migrate customers to digital channels before they are fully ready can trigger the "boomerang effect," in which customers can keep coming back to a company multiple times in an effort to resolve a problem. In our experience, trying to implement digital care channels prematurely can significantly increase both the number of transactions and the cost per transaction (Exhibit 1).

Individual touchpoints must be seen through the lens of the end-to-end customer journey. While companies can be tempted to focus on optimizing individual touchpoints, believing that the whole will automatically be greater than the sum of its parts, such targeted intervention can magnify variations in service and inconsistencies in other interactions. Moreover, no matter how successful specific tools are (for example, online self-service), companies that lack visibility into where customers are choosing to interact from touchpoint to touchpoint can still experience service breakdowns.

Customers still favor live agents for complex requests. In a British Telecommunications survey, 52 percent of respondents indicated they want to speak to a live agent when they are facing a crisis and need a solution to a problem with a product or service. Even 24 percent of customers looking to complete a routine task, such as paying a bill, sought out a live agent.[2] Companies with strategies that seek to minimize access to live agents at all costs often see lower customer satisfaction without reducing their overall customer-care expenses.

These trends all conspire to make omnichannel customer care that much more complex. Live agents clearly are not going away; in fact, they are more important than ever for certain kinds of interactions. Digital channels can be invaluable when well executed and integrated, but they can also create issues and increase demand for live agents when poorly managed. Therefore, companies embarking on an omnichannel

Exhibit 1 **Premature adoption of digital care channels can result in increased transactions.**



Source: Harvard Business School research

transformation must ensure that each channel, as well as handoffs across channels, are optimized for each customer interaction. To do that, they must seek to understand what customers truly care about on a granular level.

What really matters to customers

Conventional wisdom can be an insidious obstacle to improving customer care. Companies frequently assume they know what their customers care about. The result is that customer care often settles on standard approaches to resolving issues that aren't based on actual customer needs and preferences. In general, customer expectations in service journeys fall into three categories:

1. *Speed and flexibility,* defined as minimum processing time, responsiveness, and needs-based service.

2. *Reliability and transparency,* including proactive outreach and communication.

3. *Interaction and care,* consisting of comprehensive competence, personal attention, empathy, and simplicity and clarity.

That said, not all customer expectations fall into predictable categories. Organizations should gather direct, up-to-date feedback from customers to understand what matters most to them. Additionally, not all of the above factors contribute equally to overall experience, so homing in on the most important factors or combination of factors is critical. One company, for example, made speed of issue resolution a top priority because customers were consistently complaining that its service was too slow. In response, customer care redesigned processes and made significant investments to enable agents to move more quickly. It was only when these moves didn't translate to improved customer satisfaction that the executives realized they needed to get greater visibility into their customers to understand what combination of factors was at play.

An in-depth analysis of data and surveys uncovered some interesting insights (Exhibit 2): customers were dissatisfied when they received fast responses but little information on an issue. The real revelation was that customers were content with longer wait times—provided that they received regular updates and felt fully aware of why issues were taking longer to resolve.

Four steps to a successful omnichannel transformation

The sheer range of variables that customer-care functions must account for—not just on the customer side but also internally—can quickly become overwhelming. But by first establishing some parameters on what good looks like and setting priorities by customer segment, companies can gain clarity on where to direct resources.

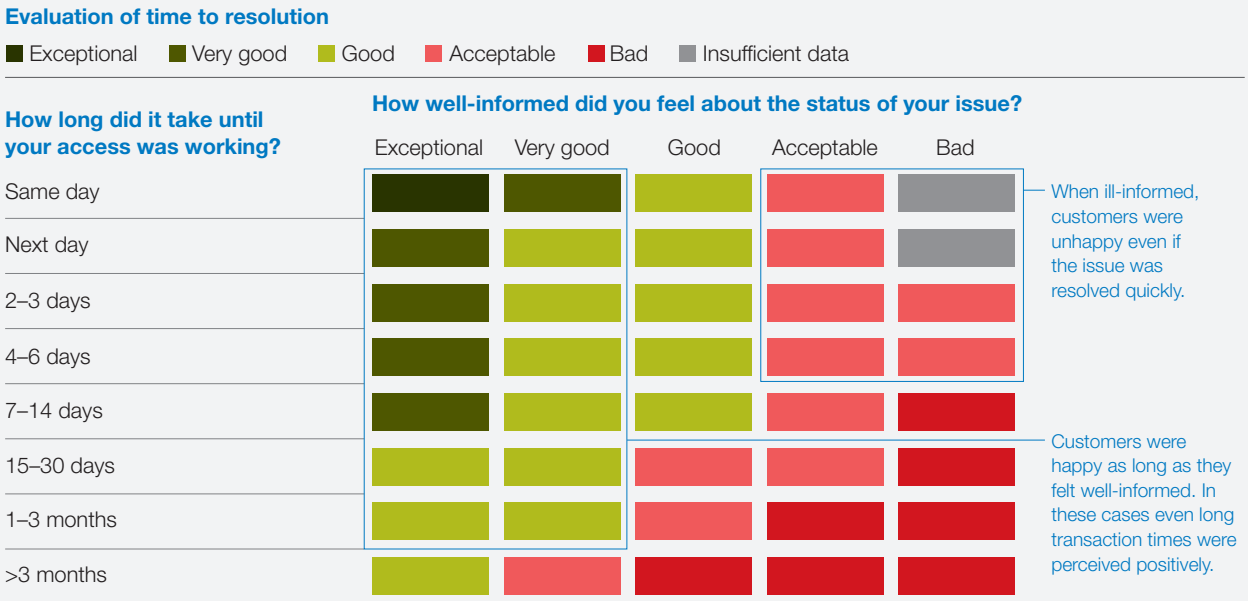
1. Define strategy and design principles

Companies must develop a customer-service strategy, or set of principles, that encompasses not only a vision for how to deliver an excellent experience but also how these interactions should feel for their customers. These principles help companies design service journeys that strike the right balance of speed, transparency, and interaction within each channel and that achieve a successful interplay of digital and live channels. Such an approach can ensure that companies apply an omnichannel lens to each service journey rather than focusing on optimizing individual touchpoints (such as interactive voice response, chat, voice, and digital).

To apply an omnichannel lens to the service journey, companies must understand customers by their digital behavior and offer the right channels that best align with the interests of each segment. Not all customers are the same, and it's how they differ in their behavior and preferences—particularly on digital—that should have an outsize influence on how service journeys are designed. Our research into digital customer experience identified four different personas, and each is receptive to different ways of being engaged.

Exhibit 2

Customers are content with longer wait times when provided with updates.



Source: Client customer service journey, McKinsey

Digital by lifestyle (23 percent). For these consumers, digital is fully integrated into their lives. They don't perceive a separation between the digital and traditional worlds—that is, they use social media every day and tend not to watch traditional TV or read newspapers.

Digital by choice (35 percent). Individuals who enjoy the advantages that digital brings, such as Netflix, Skype, YouTube, online check-in for travel, and online banking transactions, have options for how they engage but opt primarily for digital channels.

Digital by need (25 percent). Digital is beyond the comfort zone of these consumers, who engage with digital channels only when necessary.

Offline society (17 percent). Individuals who live in the nondigital world and prefer personal contacts make up nearly one-fifth of all customers. They use bank branches, shop in brick-and-mortar stores, and typically do not use the internet.

Focusing on the right set of customers will help companies prioritize efforts and identify key attributes and characteristics that would motivate each group. Best practice is to design primary service for each segment, using contact volume distribution and persona profiles that differentiate by digital behavior to determine engagement strategies and the necessary investments in each channel (Exhibit 3). For customers who are more tech savvy, the goal might be to promote online self-service and automated tools for basic tasks such as payments and installation updates. Only a small percentage of contacts—around 10 percent—require a highly skilled live agent. These contacts include cancellation requests and complaints, interactions for which the right engagement can turn a potential issue into an opportunity to strengthen customer relationships.

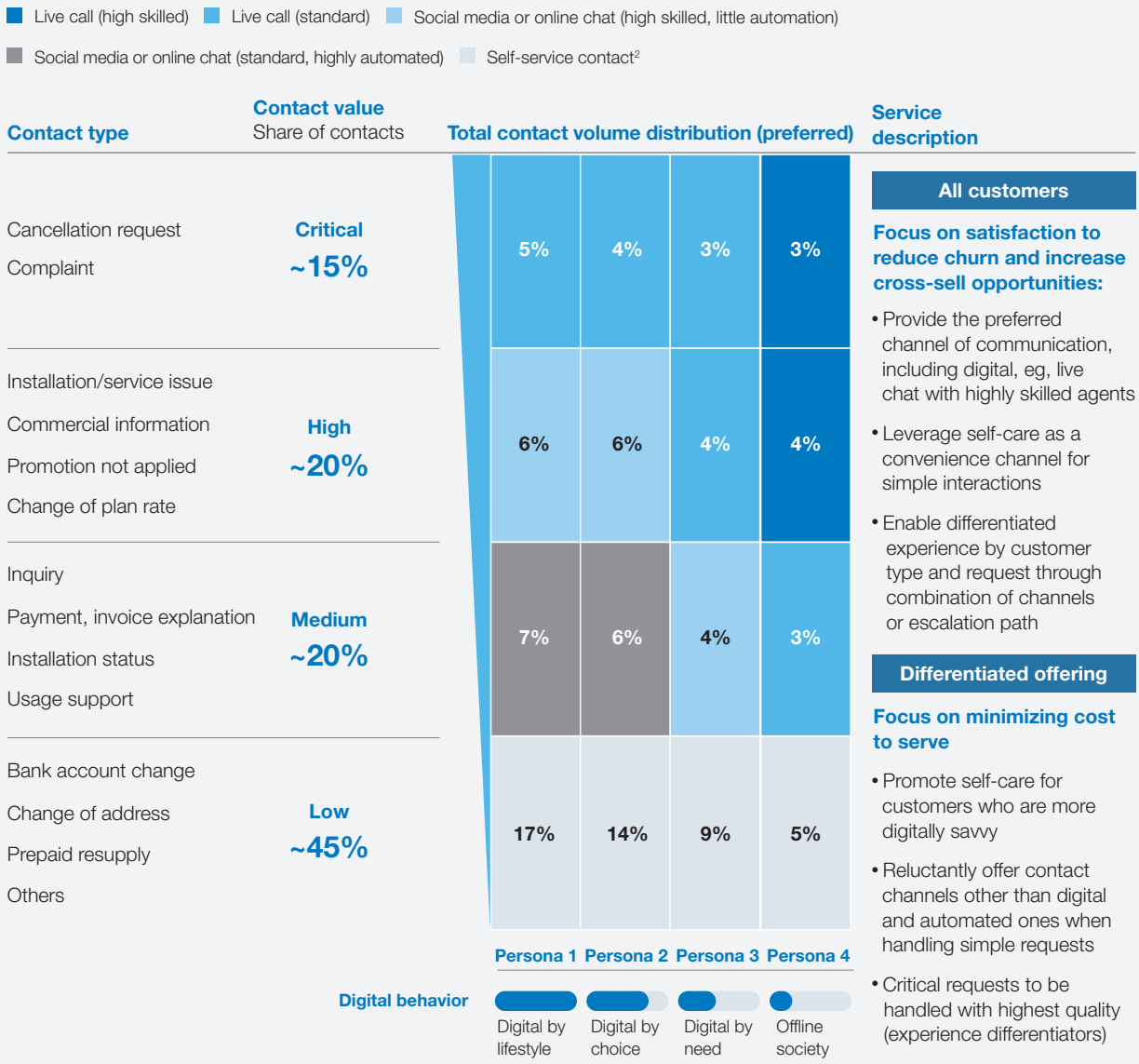
2. Map service journeys

Once companies have gained greater visibility into customer personas, they can design end-to-end service

journeys across digital and live channels. These journeys should take into account the migration of a customer across channels to ensure seamless handoffs. It's also critical to note that customer preferences aren't static; they will continue to evolve, sometimes in surprising ways, based on the channels at their disposal, demographic shifts, and other factors (such as the influence of digital leaders in raising customer expectations). Companies can use the principles to construct a vision of how the customer journeys would look three years from now in a fully omnichannel world and then develop ambitious solutions that can keep pace with this change.

Exhibit 3

Companies can enable individual customer journeys by identifying customers by key attributes and characteristics.



[1] The service choices are directional for each cell. Customers will have flexibility to choose options.
[2] IVR, web help, mobile apps.

Source: Disguised client example

Understanding the end state of the most important service journeys can help companies set goals accordingly. To start, companies must determine which service journeys are most important in terms of the cost of the journey to the organization, the complexity involved in improving the journey, and how important the journey is to the customer. Companies must also overcome entrenched thinking and assumptions; senior managers, for example, often believe that customer care should seek to resolve issues in one session. However, this perspective can overlook opportunities to strengthen customer relationships. Take the claims process in insurance: if a customer has a car accident, he might feel guilty and could look to agents for emotional support. If an insurer is too focused on first-call resolution and speed, the customer might come away with a negative view of the encounter—and, by extension, the insurer.

Companies should apply a "test fast and learn" methodology. Tactics such as design thinking and ideation sessions with customers can structure these interactions; industry best practices show that "customer-experience labs," which are built like innovation centers with customers and employees jointly designing journeys, can support the quick implementation and live-testing of prototypes with customers. This rapid, iterative approach can be summed up as, "Test, fail, adapt."

In addition, quantitative research (including customer surveys) and qualitative efforts (ethnographic research) can offer a comprehensive view of customer groups and segments and open executives' eyes to customer needs. By conducting this process for the most important journeys, companies can piece the omnichannel experience together—including additional touchpoints, detailed personas, a deep understanding of pain points and delight moments, preferences, and trade-offs about channels.

A look at a typical e-commerce journey reinforces the importance of taking an omnichannel view (Exhibit 4). A customer might begin online by researching products but then reach out to a live agent to get more information and inquire about inventory. After comparing prices online and through a mobile app, he or she purchases the product online. A call to a live agent to check on the order status confirms the package's delivery time. When the customer decides to return the product, it sets off an additional round of contact with a live agent to manage the process. Since movement between channels has become a common occurrence, managing this movement seamlessly and providing a consistent experience are paramount to customer satisfaction.

This in-depth consideration of service journeys can enable companies to determine what capabilities they need across technology, people, and the organization.

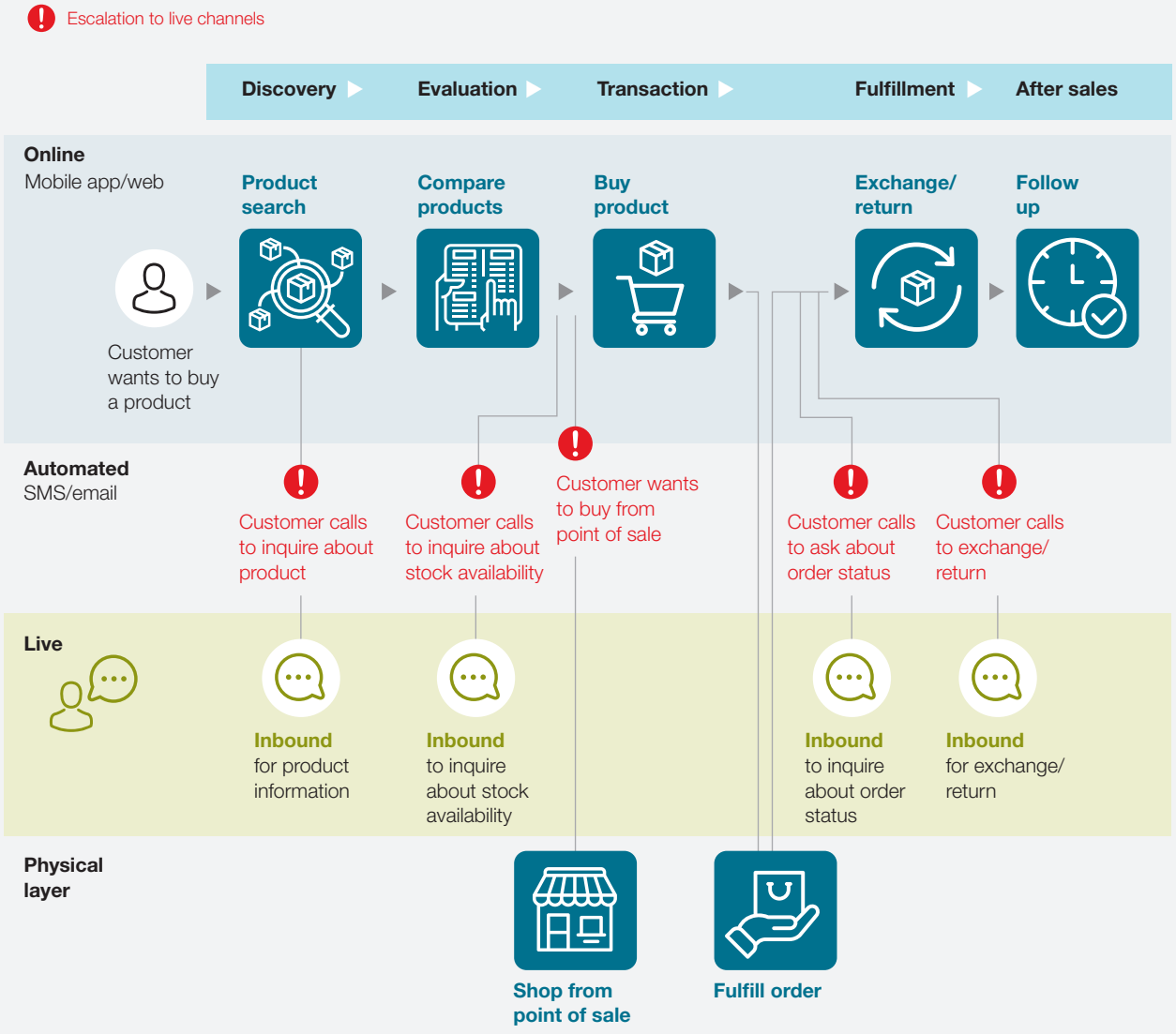
3. Invest in foundational enablers

To design and implement an effective omnichannel strategy, companies must embrace a culture of customer orientation across all employers and managers. This commitment helps to guide the development of three foundational enablers. First, agile process redesign empowers customer-care managers and agents to move more nimbly, improve transparency, and ensure frontline processes and actions are aligned with overarching business objectives.[3] Agile methodologies create ownership for care groups, deepen their resolution skills, and establish appropriate incentives—all to accelerate progress on a customer-first, omnichannel experience. Companies should establish and test interaction models to confirm that they are providing a seamless experience across channels.

Second, the workforce must have the right service skill sets. An omnichannel transformation also requires a shift in mind-set, from one focused on execution to continuous improvement and problem solving. To support this shift, employees must also build new skills. Care agents who possess the range of skills to resolve the most complex issues are a critical component of the omnichannel model.

Exhibit 4

An e-commerce journey can span many channels.



Source: Disguised client example

Last, these efforts all need to be supported by well-designed and efficient foundational capabilities, from automated measurement that enables a meaningful performance management to routing based on personal attributes, harnessing customer data using advanced analytics.[4]

Measurement and accountability are also critical to gauge the progress of these efforts. For example, lots of companies measure Net Promoter Score and customer satisfaction, among other metrics, at a company level, but this approach doesn't highlight issues in specific parts of the customer journey. Therefore, measurement must be sufficiently frequent to identify patterns in customer engagement and granular to get an accurate picture of how customer care is performing at crucial interactions in each journey.

Accountability often requires companies to build a cross-functional team. Most companies are still organized by function, so improving a customer journey could involve operations, product development, the back office, legal, and compliance. These functions, when left to their own devices, typically focus on optimizing their area of the process rather than thinking about overall customer satisfaction. Providing an excellent customer experience across multiple touchpoints requires functions to coordinate their efforts more closely. Companies should set up a cross-functional team of senior managers that is responsible for improving the customer journey. They can then convene on a biweekly basis to determine how they can collaborate to reach the business's goals instead of just focusing on their own function's.

4. Build out IT architecture

The principles, service journeys, and functional enablers must be supported by an integrated IT architecture that can help to deliver a seamless experience. This architecture consists of the following elements:

Omnichannel desktop. Each agent's command center integrates chat, cobrowsing, and email via applications. Routing and analyses efficiently direct complex requests to skilled agents, and chat and callback are offered via digital channels using javascript applications.

Omnichannel platform. This platform coordinates all channels used by representatives and routes and manages all incoming requests. An integration platform brings together a customer's entire contact history and coordinates with the back end. Through a 360-degree customer perspective in the omnichannel desktop, representatives gain access to a self-service portal and can steer the process for customers.

Back-end interfaces. A self-service portal uses back-end interfaces to handle all requests. Data from these interactions are saved in data storage where they are quickly accessible. The portal also interfaces with the back end for synchronized communication.

Advanced analytics and new technologies, such as predicting issues before the customer explains the reason for the call, allow first movers to create "wow moments." Similarly, algorithms based on natural language processing allow companies to promote behaviors to their agents that could affect customer satisfaction. For example, a system could coach an agent to talk slower or to use more energy in the conversation. New technologies and applications are seemingly arising each day; in the near future, they will enable companies to implement an IT backbone for their omnichannel experience that we cannot even imagine today.

The push to omnichannel is not confined to specific industries. Instead, it emanates from the evolution of customer preferences and behaviors as more channels emerge. And though customers are becoming more tech savvy, their comfort with digital channels only serves to elevate the importance of live agent interactions. Companies that understand this apparent contradiction, truly commit to understanding customer journeys, and build the capabilities to provide seamless omnichannel service will be well positioned to delight customers for years to come.

[1] For more on the future of customer care, see Jeff Berg and Julian Raabe, "New technology means new value from contact centers," June 6, 2018, McKinsey.com.
[2] Nicola J. Millard, "Serving the digital customer 2017," British Telecommunications, 2017.
[3] For more, see "Bringing agile to customer care," in this compendium.
[4] For more, see "How advanced analytics can help contact centers put the customer first," in this compendium.

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How advanced analytics can help contact centers put the customer first

Companies without advanced analytics are leaving significant customer-service improvements on the table. But to fully reap the advantages of advanced analytics, organizations must have the right foundations in place to make the most of their data.

Guy Benjamin, Jeff Berg, Avinash Chandra Das, and Vinay Gupta

More and more, to put the customer first, the heads of customer service require the accurate and detailed performance information that real-time analytics can provide. The good news is that basic data and analytics tools are becoming standard practice in call centers. And while that is a solid first step, most organizations are likely not taking full advantage of the technology, meaning they are not applying *advanced* analytics in ways that truly put the customer first. Only 37 percent of organizations feel that they are using advanced analytics to create value; this finding reveals significant missed opportunity. Unlike earlier data and analytics solutions, which helped companies understand what is currently happening within their call centers, advanced analytics help them generate actionable insights about what will happen next, through both internal and customer-facing applications. The result is reduced costs, increased revenue, and—most important—higher customer satisfaction scores.

In this way, advanced analytics has fundamentally changed the role of contact centers from a basic service offering (and a net cost to the business) to a strategic differentiator that can make dramatic improvements in customer satisfaction and financial performance. Companies have already applied advanced analytics to reduce average handle time by up to 40 percent, increase self-service containment rates by 5 to 20 percent, cut employee costs by up to $5 million, and boost the conversion rate on service-to-sales calls by nearly 50 percent—all while improving customer satisfaction and employee engagement. While analytics is only one of a broader set of improvements, including operational changes such as coaching and process simplification, it is a powerful tool for companies to implement.

Where companies go wrong

Given these potential gains, why have more companies not taken advantage of the opportunities that advanced analytics offer? Simply put, many of them do not have the right foundation in place, due to entrenched organizational structures and processes, legacy IT systems, and other challenges. There are two root causes of slow advanced analytics adoption.

A lack of integrated data across channels: Many companies have call centers that function in silos. The centers generate plenty of data, but companies don't have a systematic approach for aggregating that data into a single source of truth so that managers can make sense of it. Other companies buy a set of ad hoc solutions and assets to solve individual problems, rather than developing a strategic approach built around a single integrated platform. Further, the quality team, the workforce management team, and the digital team don't talk to each other—and, in some cases, don't even have access to the same data.

An inability to link analytical insights to actions: Other companies generate insights from analytics but don't translate those insights into action. Or, they take some actions but fail to fully capitalize. Most organizations, for instance, run voice-of-the-customer analytics to calculate first-call resolution (FCR) and customer satisfaction metrics, but they don't use that customer feedback to redesign processes or take other steps to make a more transformative impact. A common theme across these issues is that operations managers simply do not know what to do with analytics.

Traits of the analytics-driven contact center

There is a large and growing pool of available vendors and technologies for contact centers that are generating a lot of data but struggle to make sense of that data. It is important for contact centers to build the right foundation if they are to generate the maximum potential benefits. Those foundational elements include:

- *A clear vision and strategy:* Contact-center organizations need a coherent, enterprise-wide vision for analytics. That vision must have a clear link to the overall business strategy, along with a road map for implementing specific use cases, such as improving FCR or offering more self-service options to reduce the demand on call centers.

- *An agile organization with internal analytics capabilities:* Companies need to build strong in-house talent capabilities in analytics that align with the organization's strategic goals. And, companies need agile mechanisms to capitalize on analytics-driven insights. For example, a leading credit card company has set up an interactive voice response (IVR) analytics lab that allows it to immediately assess changes in customer satisfaction and containment after every change in the IVR.
- *Platforms and data sources:* Leading organizations also require a comprehensive data strategy and ecosystem that can support the broader analytics strategy. Platforms and data sources call for best-in-class data governance, data or IT architecture, and infrastructure and data security frameworks. Many top-performing contact centers have built data lakes as a single source of all data on customers, agents, product performance, surveys, and other sources.
- *An ecosystem of partners:* Few companies can meet all of their data and analytics needs internally. Rather, they must determine which needs can be handled in-house and which should be outsourced to expert partners.
- *A culture of objective decision-making:* Leading call-center organizations make their day-to-day decisions based on data, rather than gut instincts. Examples include analytically driven hiring, targeted coaching, performance-based bonuses, and other initiatives to improve outcomes.

Companies do not need to have all these elements in place before they begin applying advanced analytics. As with all fast-moving technologies, a better approach is to identify use cases with the existing data, develop them fully, pilot programs, and then iterate.

Four use cases

To see how advanced analytics can help companies proactively improve call-center performance across a range of dimensions, we identified four main use cases that employ advanced analytics.

1. Reduced average handle time

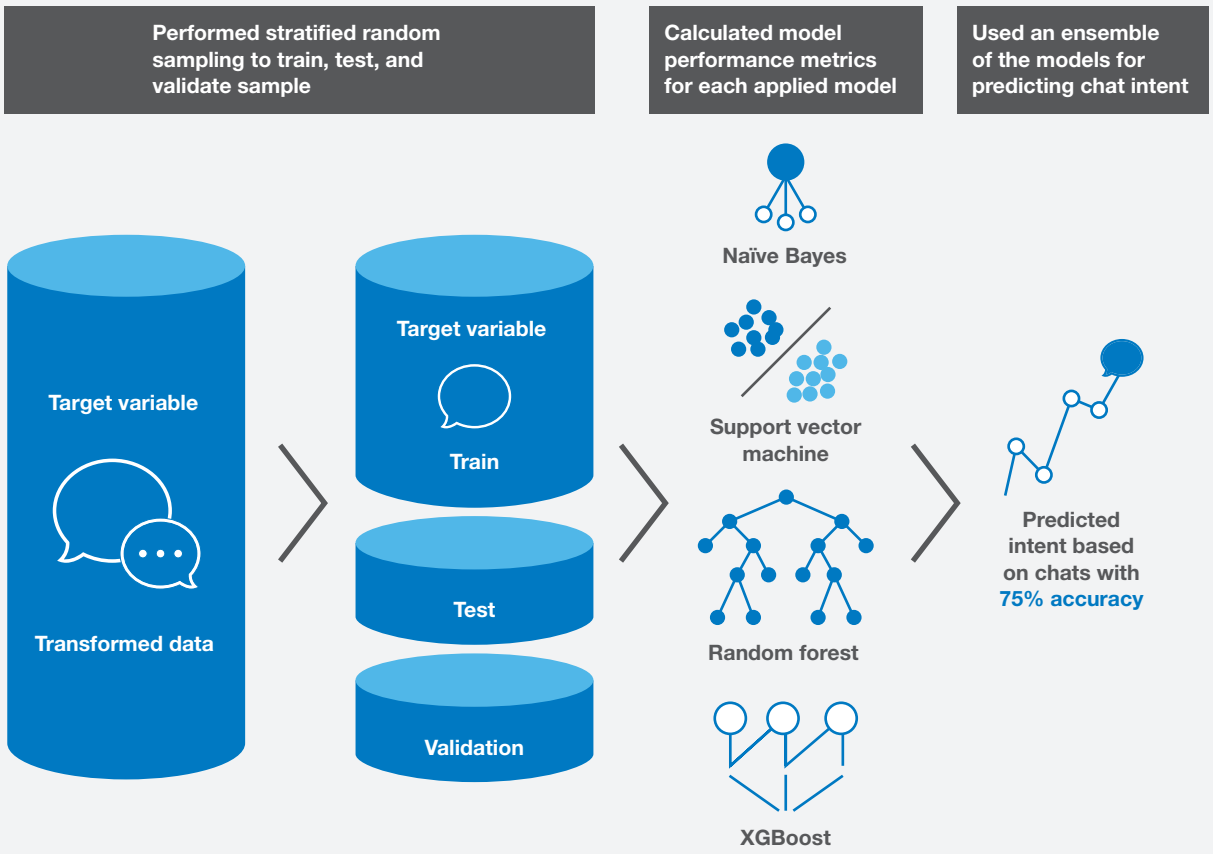
Text (including speech) comprises the highest proportion of unstructured data in most call-center operations, and therefore it offers the biggest potential impact. In fact, text is constantly being generated about a company, from social-media channels, chats with customer-service agents, surveys, feedback forms, warranty claims, and other sources. Making sense of this data requires scraping it from all available channels (including converting call-center recordings to text) and then cleaning it to remove unimportant words, punctuation, and special characters. Once the data is cleaned, companies can begin to generate meaningful insights from it (Exhibit 1).

For example, a technology company used speech and text analytics to proactively reduce average handle time (AHT) by approximately 40 percent. The company analyzed a specific incident type by sifting through unstructured call description logs to find variabilities in the resolution process. Based on text data, the company mapped keywords from its logs for that incident category to better understand the implications on average handle time. Using that instance as a baseline, it created an automated self-learning solution that can use text analytics to identify potential AHT improvements in areas such as redesigning questions to better understand customer problems, optimizing processes, eliminating unnecessary steps, and standardizing agents' resolution guides. From that foundation, the company can begin proactively identifying and mitigating other issues to improve customer service.

2. Reduced call volume

Advanced analytics allows companies to conduct full, end-to-end analytics on millions of customer data points, looking at text and call flow volumes to proactively identify potential improvements. Based on that output, the company can design a solution that

Exhibit 1 **Predicted chat intent uses different machine-learning algorithms to generate insights.**



offers an improved customer journey—prioritizing individual measures based on impact, required investment, and feasibility—and then use an agile approach to roll out minimum viable products to be tested and iterated via two-week sprint cycles. IVR rapid simulations can further accelerate testing and refinements, and an interactive dashboard can measure impact by call types and customer types.

For example, a financial services firm was experiencing a high number of repeat calls. For every 100 customer issues, the company received more than 160 calls. It used analytics to look at three specific factors: customers, agents, and processes. Among customers, the firm identified people who would call frequently for minor things, such as status updates on a resolved issue, or those who would call repeatedly if they were not happy with the initial outcome. If some customers do not receive a credit from one agent, for example, they might call back and try their luck with a different agent.

Similarly, the company ran analytics on call-center agents to segment those who had a low resolution rate or were spending too much time on minor issues, compared with top-performing agents. Finally, the company took an analytical look at processes to identify gaps or systemic issues (such as a replacement card that does not get delivered on time). Armed with this information, the firm identified an opportunity to reduce repeat calls by 15 percent.

3. Proactively enhanced network resilience

Organizations increasingly underestimate the challenge of network resilience when they think about

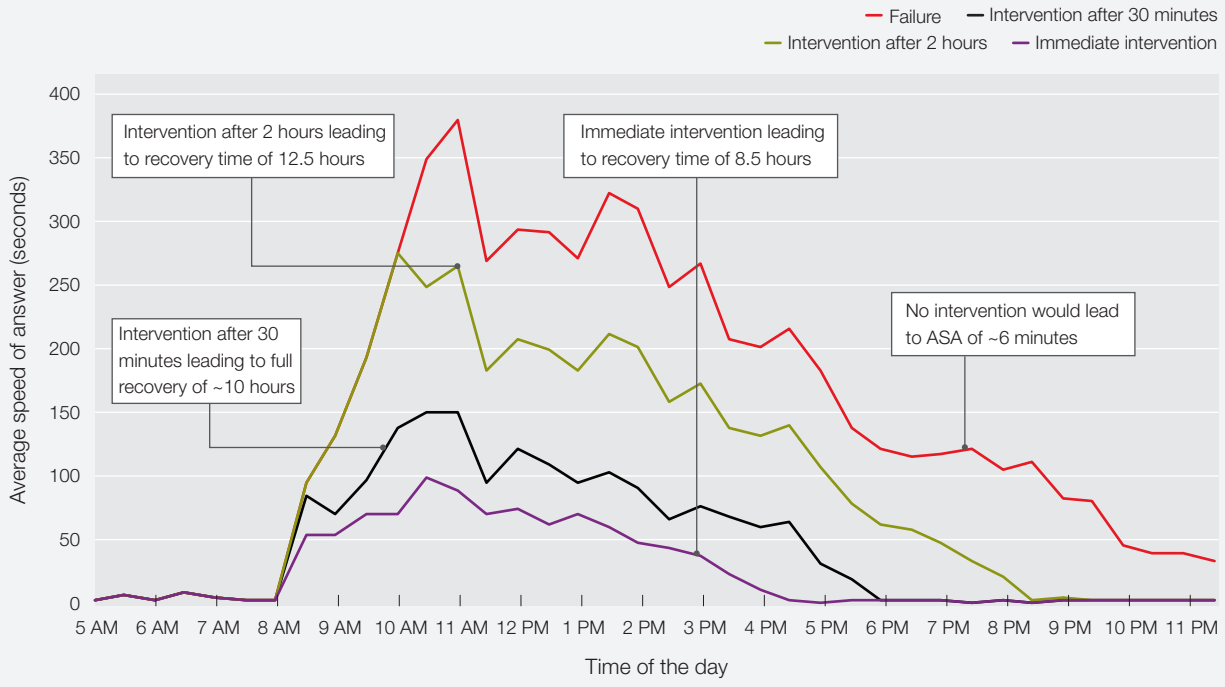
workforce management—and the impact of outages on customer satisfaction. The typical company faces up to five major outages each year, and 25 to 30 site or queue disruptions. For a typical financial-services firm, a two-day outage can require up to a week to return to business as usual, with an increase in abandonment rates of 10 to 30 percent. Most workforce-management teams in contact centers don't proactively model the outcomes of the outages on service levels.

By using workforce-management advanced analytics, however, companies can run simulations that predict the impact on service levels and estimated recovery time for different types of outages. Companies can also identify and prioritize a set of specific actions to reduce the recovery time, customized depending on which sites or queues are affected. As a result, customer-care leaders can understand the implications of events such as a call center completely shutting down, partial staff availability, a downed server, or other disruptions.

For example, a simulation could determine that a three-hour failure of one site in an organization's contact-center network could cause the average speed of answer to increase from ten seconds to 350 seconds, with a recovery time of 17 hours. By modeling different interventions—such as adding capacity, rerouting customer calls, or making an IVR announcement, among others—and different start times and durations of each intervention, a company could reduce the recovery time from 17 hours to 8.5 hours (Exhibit 2).

Exhibit 2 **Failing to respond immediately during emergency scenarios might lead to much higher wait times for customers and a longer recovery period.**

Average speed of answer (ASA) variation vs time of intervention



Source: Based on a simulation for a leading, North American financial services firm

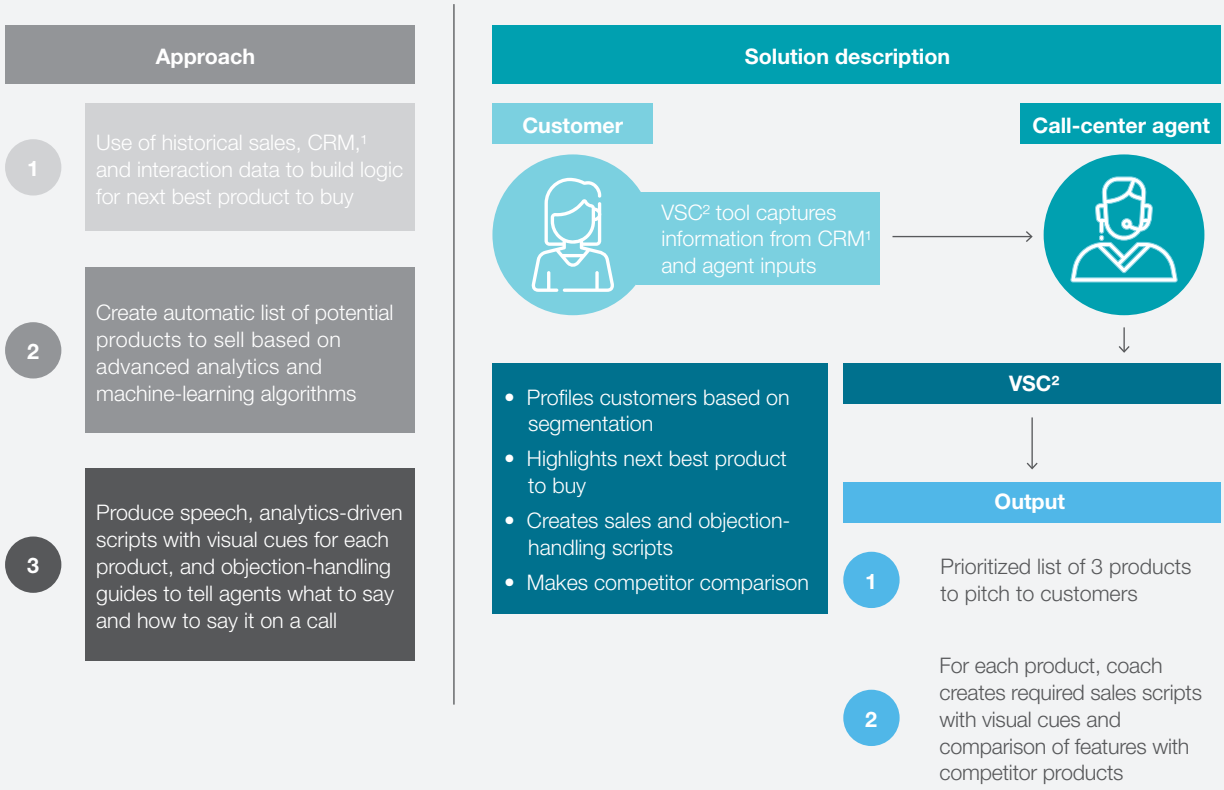
4. Improved service-to-sales conversion

To truly improve performance, advanced analytics tools should not only increase efficiency and reduce costs but also proactively unlock new revenue. A virtual sales coach can accomplish that goal by assessing factors about a customer—not only existing data such as demographic and behavioral profiles and purchase history but also real-time data from a current service call—to predict the next product the customer is most likely to buy. It can then pull up a script to give the sales agent specific language designed to improve conversion rates for that customer (Exhibit 3).

For example, companies using advanced analytics can analyze the text of previous successful sales calls for the same customer (regarding a different product). And they can proactively tailor specific aspects of a pitch based on the customer's behavioral profile—for example, if a customer is identified as potentially regretting a purchase he or she made, the script can highlight a hassle-free return or cancellation policy.

A telco company used this approach to boost the conversion rate for sales initiated through a service call by 46 percent. The company identified a range of input variables and ran analytics to determine

Exhibit 3 **A virtual sales coach can alert call-center agents of the next product that a customer is likely to buy and provide scripts to aid sales.**



[1] Customer-relationship management software.
[2] Virtual sales coach.

which variables had the biggest effect on a customer's willingness to buy, broken down by specific product and service offerings in the company's portfolio. The telco then developed specific sales scripts for each product.

How to get started

Building the right foundation is crucial if call-center organizations are to generate the biggest benefit from advanced analytics, but companies should not wait until all of those elements are in place. On the contrary, analytics is a rapidly changing field, and organizations must start applying advanced analytics tools and techniques right away and learn through experience.

To begin, companies can identify the potential value pools from an analytics initiative and prioritize them based on measures such as the payoff relative to required effort, data availability, customer demand, and competitors' moves, among other things. Prioritizing will help a company focus on a specific use case—for example, improving FCR by 20 percent at a particular call-center site—and map the data requirements it will need, such as agent notes, voice-of-the-customer information, routing data, and automatic call distributor information. Most organizations will not have perfect data, but that should not be an excuse for a lack of action. Rather, organizations should begin by working with whatever they have and refine their data over time.

With the goal of using advanced analytics to improve FCR performance, a company can begin to generate hypotheses—for example, calls may be routed to the wrong queues—and then analyze the data to prove or disprove each hypothesis. Next, it can build an analytics model and test it with users, gauging results and refining the model based on user feedback (in close collaboration with IT and the line organization).

Finally—and most important—a company can scale up successful pilot tests across the entire call-center organization to maximize their potential impact. This rollout requires working with managers at other sites, applying lessons learned, and—when possible—automating analytics use cases to improve efficiency.

Companies often talk about identifying customer pain points, and call centers are a clear opportunity, yet most customers view them with dread. The best organizations recognize this as a chance to proactively differentiate themselves from the competition—but they cannot get there without advanced analytics. There is a real difference between first-generation data and analytics already in place at many companies and the advanced analytics techniques and methodologies now available. By implementing these new tools, companies can more accurately predict what's coming—allowing them to literally control their own future.

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Getting the best customer service from your IVR:
Fresh eyes on an old problem

Interactive voice response (IVR) systems have one major flaw: people don't like them. To address this, companies need to rethink their design priorities and put customer experience first.

Eric Buesing, Vinay Gupta, Becca Kleinstein,
and Subhrajyoti Mukhopadhyay

A few months ago, a major US mobile network operator announced that it was scrapping its IVR system. The reason: high levels of customer frustration. Few companies have gone so far, but service leaders will often admit that their IVR systems have a negative effect on customer satisfaction. Worse, many solutions fail to achieve their primary goal of reducing call-center costs.

Some customers are willing to go to great lengths to circumvent phone menus—or avoid them altogether. For example, they might repeatedly press zero or say "agent," without waiting to listen to the options presented to them. Dislike of the technology has even spawned a new industry. Consumer websites now publish lists of direct phone numbers and tips for breaking through IVR systems, such as "curse," "mumble," "choose the option for Spanish," or "press nothing and wait."[1]

For customer-service leaders, the unpopularity of IVR creates a dilemma. On one hand, their job is to improve customer experience and satisfaction. On the other hand, they need to meet demanding objectives to reduce costs.

We believe that it is possible for companies to avoid the perceived trade-off between cost and customer satisfaction. That's because the problem with many of today's IVR systems is not rooted in the technology—which is becoming increasingly sophisticated, capable, and flexible (see sidebar, "The rise of the smart IVR")—but rather in its implementation.

Why and how IVR can go wrong

Most companies that design their IVR systems start at the wrong place, focusing primarily on their cost-reduction objectives instead of customer experience. This approach leads to five common problems.

A one-size-fits-all mentality

Most IVR implementations are designed with one goal in mind: a reduction in the volume of calls. In other words, the system tries to prevent any caller from getting to an agent, with no attempt to differentiate between types of calls received or the reasons for which they are made—leading to systems that are unwieldy and time-consuming for customers to navigate. Furthermore, this means that opportunities to add value are lost. For example, new customers and premium customers alike are treated in the same manner by most IVR systems, while multiple entry points spanning different phone numbers and business units increase the complexity of the initial customer engagement.

Confusing navigation and terminology

The wording and menu structures used in IVR systems often reflect the company's internal terms and processes rather than the language and needs of customers.

Poor integration with other channels

IVR systems are often built in isolation from other channels. As a result, the system design may fail to consider the wider context of the customer journey, and it may have little integration with web- or app-based service offerings. IVR is often considered less sophisticated than newer digital channels, yet it is still the most frequently used customer-service option at many companies.

Lack of timely updates

Customer needs and business offerings change all the time, but companies are often slow to modify or update their IVR systems. For example, a change in product portfolio may not be immediately reflected in IVR options. In many cases, there is little coordination between the teams responsible for the IVR system and the teams responsible for product or strategy changes.

Not measuring satisfaction with the IVR system

Many organizations only track call-containment rates, without measuring customer satisfaction. And where data on satisfaction is collected, it often isn't broken down by customer group or call reason.

The rise of the smart IVR

New technologies are dramatically enhancing and extending the capabilities of call-automation systems. Notable approaches that achieve large-scale adoption include the following:

Smart voice assistants. Natural language processing (NLP) technologies are now widely accepted by customers in services such as Apple's Siri, Amazon's Alexa, and Google's Assistant. Not only are these systems more capable than ever before, they have also become easier to implement, with several new and established players providing cloud-based or on-premise voice-interaction platforms. Further, the ability to integrate NLP systems with a company's internal data systems is paving the way for the creation of "voicebots," which are IVR technologies that can understand and resolve a wide range of customer queries.

Visual IVR. Visual IVR systems combine speech and on-screen interactions, usually on a customer's smart phone. This approach simplifies the navigation experience and also expands the potential scope of IVR-based self-service activities. For example, updating or changing an address in an IVR system can be difficult. Allowing the customer to select and edit their personal information on a screen is much simpler.

Biometric authentication. Biometric authentication technologies can identify customers by their voice characteristics. Such an approach eliminates the requirement for the customer to remember personal identification numbers or passwords and reduces the number of steps required to resolve a query.

Technology integration. Technology systems are now closely interconnected, and the ability to pass along information from one channel to another can dramatically improve their capabilities and ease of use. For example, pass-through authentication systems can automatically identify customers who have already logged in using the website or a mobile app. Desktop tools can trace and display the path a customer has taken through the IVR system to reach a call-center agent. IVR systems can adapt their menus and solutions so that the options they offer are based on a customer's recent interactions on other channels. Cable TV or internet service providers can also remotely interrogate, reset, or adjust a customer's modem or set-top box based on previous IVR responses.

Predictive analytics. Many organizations have started to develop machine-learning algorithms to predict the intent of callers based on cross-channel activities and then adapt the IVR options accordingly. For such organizations, customer intent can be understood by combining multiple data sources, including customer-relationship-management (CRM) databases and digital activity on the website or mobile apps. Ultimately, this approach can lead to the creation of IVR systems that offer a potential solution to a customer's issue without requiring the customer to explain the problem. For instance, if a medical insurer's records show that a recently issued check has not been cashed, its IVR might ask the customer to confirm that the check has been received. And in the case that the check was not received, the IVR system can then offer to send a replacement.

Time for a customer-centric view

Leading companies are now adopting a customer-centric approach that treats IVR as a central part of their overall customer-care offering—and they have a strong financial incentive to do so. At one North American financial institution, for example, more than ten million customer requests are fulfilled by IVR every year, around 50 percent of the total call volume the organization receives. Compared with the cost of handling those calls with human agents, the IVR saves the company around $100 million annually. When that company redesigned its IVR system using a customer-centric approach, it was able to increase its call-containment rate by a further 2 to 5 percent and improve caller satisfaction by 10 to 25 percent across the call types addressed.

In a customer-centric approach, the design of an IVR system is dictated by the three measures of customer satisfaction: fast call resolution, personalization, and a consistent experience across channels.

Fast resolution

Our research shows that the one thing customers want more than anything else is a rapid solution to their queries. If they can be confident of that, most customers don't mind which channel they use. There is growing acceptance among many customers that IVR technology can be the fastest way to resolve simple inquiries, such as troubleshooting cable TV connections, locating a technician, or checking the delivery status of a package.

A leading US energy provider uses its IVR system to inform customers about the status of outages as well as the expected resolution time. This approach not only reassures customers that their issues are being handled effectively but it also ensures resolution of thousands of calls every day without the need for an agent.

Personalization

Digital-first companies have raised the bar for customer service in creating personalized offerings, whether that means tailored recommendations or the ability to return to an interaction at a later time without needing to navigate complex menu hierarchies or reenter personal information. Increasingly, customers expect their interactions with other companies to offer the same level of customization.

IVR systems can achieve higher levels of personalization in several ways. For example, biometric authentication technologies can use a caller's voice to accelerate and streamline authentication; the IVR of one airline now welcomes returning members of its frequent flyer program by name. And one financial institution adapts the IVR menu options presented to customers based on their individual call and transaction history. If an online payment transaction has recently failed, for instance, actions to address the issue are offered immediately after authentication.

Consistency

Customers' journeys should be channel irrelevant. In other words, each interaction they have with a company should be informed by previous interactions, regardless of the channel, function, or line of business involved. Such an omnichannel approach involves an implicit agreement between company and customer: companies benefit from a detailed, comprehensive view of customer preferences and habits, and customers in return expect a consistent experience across channels. To meet those expectations, the IVR system should adapt itself to each customer's history and context, and handoffs between the IVR system, human agents, or other digital channels should be straightforward and seamless.

IVR design and deployment: Taking an agile approach

A successful IVR strategy calls for a new approach to design and deployment. Building an IVR that works requires the organization to juggle multiple dimensions, from ever-evolving customer needs to fast-changing product and service portfolios. And

Building an IVR that works requires the organization to juggle multiple dimensions, from ever-evolving customer needs to fast-changing product and service portfolios.

that's before it begins implementing new technologies into its IVR system.

Companies that aim to avoid the shortcomings of conventional IVR design, or to incorporate new technologies into their phone-based customer-care channels, need to rethink the analysis, development, implementation, and maintenance of their IVR systems. Instead of a "deploy and forget" approach, effective IVR management should be a continual process of evolution, evaluation, and iterative improvement. Therefore, such an approach should apply three principles.

Design for specific customer journeys

An organization must support many different customer journeys, depending, for example, on the types of customers, the nature of their requirements, and their willingness to use digital channels. Companies should determine the specific journeys that can be handled by IVR, then tailor their design to address those requirements. For example, if customers who are normally active on digital channels call a help line, they will likely seek a resolution they have been unable to find online. The best course of action in this case might be to pass the call to a human operator as soon as possible.

This journey-specific design approach can also help companies integrate IVR into the broader context of their customer-service offerings. For example, a human call-handler may temporarily transfer a customer to an IVR system to complete an authentication process or to hear a recorded summary of contract terms and conditions. IVR messages can also be used to alert customers to alternative ways to complete their request using digital channels or to provide quick situation updates in the event of a service outage or other event that might cause a spike in call volume.

Apply advanced analytics to understand IVR performance

Once leading companies have an IVR system in operation, they often use customer-journey analytics to gain a granular understanding of its performance. There are hundreds of possible break points where the customer may move from the IVR system to a human agent. Regular analysis of IVR data allows companies to identify the specific conditions that lead to these break points and then pinpoint their root causes. These companies also study data collected from IVR surveys, customer demographics, and interaction histories to better understand customer preferences and behaviors. Such data allow company leaders to devise initiatives that might improve the IVR experience, increasing both call containment and customer satisfaction.

Use rapid test and simulation capabilities

Customer-first IVR needs to rapidly and continually adapt as business offerings change, as new technologies

become available, and as understanding of customer behaviors and preferences evolves. Best-in-class organizations are building rapid test and simulation capabilities to optimize call flows within their IVR systems. For example, one North American financial company has built a simulation lab that allows it to test modifications to its IVR systems in a controlled environment. It can then compare the performance of those tests with similar customer journeys in its production environment and measure the impact of IVR changes on containment and customer satisfaction in real time.

Getting started

The development of an agile, customer-centric IVR is a process, not a product. But it is a process that can generate rapid value for companies if they adopt a systematic approach and focus their efforts on the most important customer journeys. We advise companies to begin with the top customer journey in their existing IVR system. They should investigate the requirements of customers at each stage of that journey and develop the capabilities to meet those requirements within the IVR. They can then test the new customer journey with a sample group of customers, refine and improve it, and keep track of its progress as they move on to subsequent customer journeys.

Even in a digital world, automated call-handling systems will retain their position as the front line of many customer-service interactions. With the advent of new technologies, such as AI-powered natural language processing systems and predictive analytics, IVR systems are evolving from dumb menu systems into smart "voicebots" capable of handling complex customer queries. And to make the best of these new opportunities, companies need to switch their thinking about IVR technology, treating it as a tool not merely to cut call-center costs but to create customer satisfaction. ■

[1] "How to talk to a human when calling a business," wikiHow, wikihow.com.

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Bringing agile to customer care

Early adopters are achieving impressive performance gains by empowering frontline workers to excel as team-based problem solvers.

Raelyn Jacobson, Sören Jautelat, Julian Raabe, and Lucas Wienke

Agile is one of the hottest management trends for companies across industries, and with good reason. This approach, which encourages collaboration, responsiveness, and ownership, has helped to transform different parts of an organization and generated significant performance improvements.[1] Over the past decade, leading companies have applied agile methodologies to IT, software development, project management, and delivery organizations. All of these functions have volatile processes with multiple inputs and high uncertainty, which made them natural candidates for agile.

To date, companies have been much slower to implement agile in operational functions, in part because executives assume these areas are ill suited for this approach. Customer care, for example, has less uncertainty than other functions, with plenty of repeated tasks and requests. Prevailing wisdom has been that rigid control is necessary in customer care to increase efficiency. Accordingly, this function has long focused on execution and used lean and Six Sigma to improve performance while standardizing interactions and investing in tools to guide service agents in their interactions.

However, the human element of customer care introduces variability and unknowns: customers increasingly demand service tailored to their needs and want their requests resolved without being transferred multiple times. What's more, the imperative to become more customer centric and adapt to changing customer preferences now calls for introducing new elements from agile.

Agile has tremendous potential to revolutionize customer care and unlock the value of frontline employees, who represent a huge untapped resource. By empowering agents through an agile approach, organizations can infuse customer ownership and creative problem solving in customer care. Early adopters have already achieved impressive results in their contact centers, increasing first-call resolution and efficiency while lowering operational costs. A combination of agile best practices and a sustained investment in culture change can position organizations to capture similar benefits in their customer-care functions.

The right dose of agile for customer care

Currently, many customer-care functions are pursuing a traditional approach focused on standardization. Contact centers often resemble automotive factories, in that leadership carefully plans and orchestrates every step. Due to this top-down dynamic, contact centers have typically been siloed functions, with agents who have adopted a reactive, transactional mind-set. In today's customer-centric environment, the step-by-step customer-care model is insufficient to resolve today's more complex customer inquiries. Therefore, a fresh approach—one that harnesses the collective knowledge of frontline agents—is critical to delight and surprise the customer.

The agile methodology, as deployed in IT and product development, is not completely suited for customer-care functions, but it can be adapted in several ways to significantly boost customer experience.

Ownership. A major challenge in classic care organizations is that tasks and competencies are very scattered. With training, agents can quickly resolve simple requests, but they must typically forward complex ones to more skilled agents. The result is that, in many organizations, the first-call resolution rate hovers around 40 percent. Indeed, customers of major companies often complain about being stuck in the organization or being dropped after the third transfer.

Over the past decade, companies have incorporated digital to resolve standard requests within customer care. Yet many of the tasks left to agents are more complex, so a different approach is required to provide excellent service. Taking a page from pure agile methodology, a team or department gets ownership of a certain customer group and is entrusted to take care of all their needs. The team is also responsible for a customer's satisfaction, revenue, and associated costs of service.

Self-managing. The agile way of working, with a focus on self-managing teams, can help customer care attain the next level of performance improvements. Teams and departments are guided less by input variables (such as average handle times and utilization) than by common targets (such as customer satisfaction, total revenue, and waiting times). Through daily performance discussions and the freedom to adjust processes and care strategies, the team can provide better quality care.

Capabilities and team. Customer-care functions must build capabilities in their frontline organization to more effectively provide end-to-end care. Experts that have previously handled more complex requests, for example, are being integrated into agile customer-care teams or serving as coaches on the floor, joining calls as needed. These cross-functional teams can resolve more than 95 percent of customer requests during the first contact, preventing a negative experience or multiple handoffs.

Enablement. When customer-care agents are part of the resolution process, it accelerates learning; and the combination of experts with frontline agents creates a culture of knowledge and learning. One of the better-known industry examples is US telco T-Mobile, which has a model called "team of experts."

Agile routines. Most customer-care organizations conduct performance reviews, but they are focused on evaluation and payment rather than joint learning opportunities. Introducing agile routines as biweekly reviews enables teams to assess their achievements and performance of the previous period and decide on priorities to work on for the next period. In addition, teams can implement daily, 15-minute huddles to track progress during the past day. These structures help the team embark on a learning journey that is dedicated to serving customers more effectively and addressing their personal needs.

Leading companies have already applied agile approaches to the initial steps of the customer journey. However, these stages are only a fraction of overall interactions, leaving tremendous potential for improvement (Exhibit 1). Capturing this value requires the entire organization to adopt agile principles and coordinate its collective efforts.

How early movers are harnessing agile

For customer care, agile principles represent a unique approach: customers are served end to end by empowered agents who work in self-managing teams. Two case studies demonstrate how agile can be used to radically change customer-care organizations in different industries.

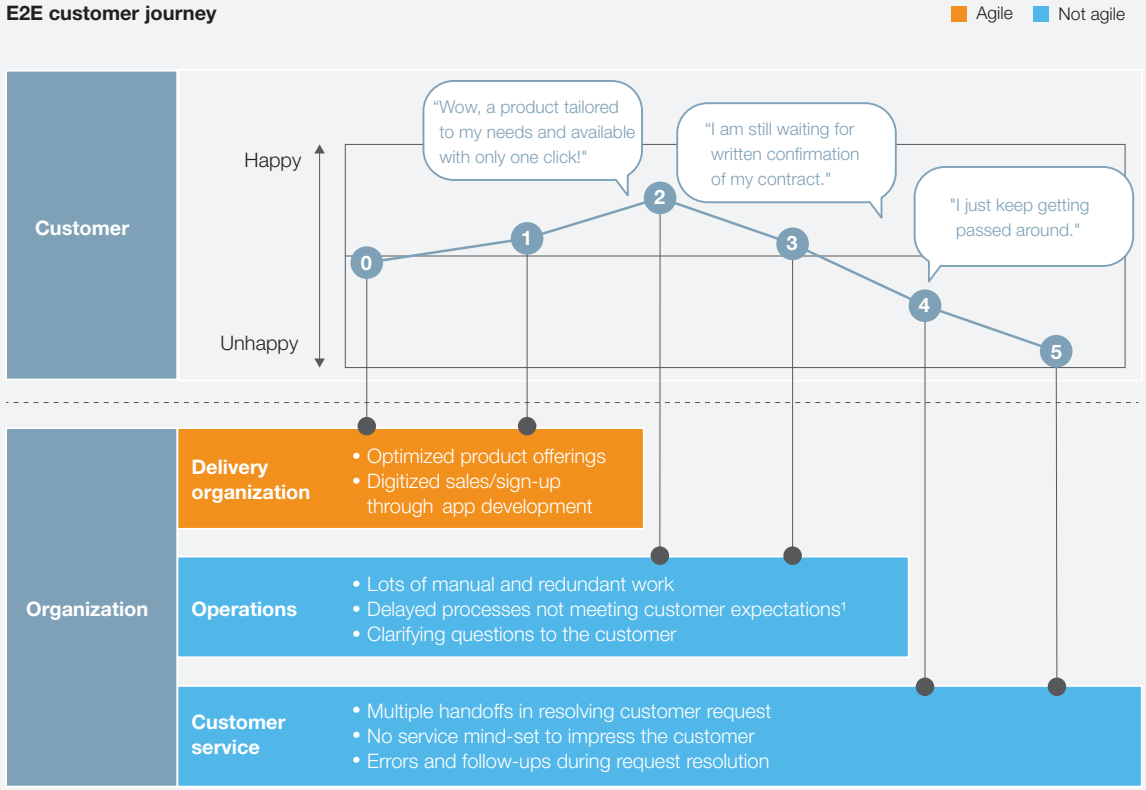
Telecommunications

T-Mobile was struggling with very low first-call resolution and high customer dissatisfaction. Its agents were often forced to forward calls through the organization to try to address issues, resulting in too many handoffs and declining customer satisfaction. The telecom company recognized that revamping its first point of contact with customers would be a crucial step toward achieving better outcomes.[2] The steps the company took involve multiple elements indicative of an agile methodology.

Executives call their approach "TEX," for the team of experts that focuses on resolving the requests of their customers and building a personal emotional connection with each customer. These teams, which include a mix of customer-service agents and specialists, implement a collaborative approach to efficiently handle more complex requests. Calls are accepted by the general customer service agents, called "experts." In the event they are unable to resolve the issue, they bring in a specialist. This approach has two effects: the customer's request is resolved, and the expert embarks on a learning journey. Thanks to this structure, agents can often resolve similar requests on their own in the future.

At the same time, digital tools are applied to automate standardized tasks so that agents are freed up to innovate, and the specialists are available to collaborate

Exhibit 1 **Offering superior E2E customer journeys requires the smooth integration of customer care with other parts of the business.**



[1] Eg, customer having to wait a long time to receive physical contract.

Source: McKinsey Global Board Survey, April 2015 and 2017

with agents to troubleshoot, share their knowledge, and debrief after calls. Once a week, specialists and agents participate in upskilling sessions where they highlight best practices. Classic team leads are replaced by coaches to ensure sufficient time for development, and administrative tasks are pushed to a support team linked to the department head.

While in the past agents addressed the full range of customers and requests, T-Mobile's new method allocates a fixed group of customers to a set of agents across several teams. The designation creates greater ownership: in most care strategies, agents who transfer a customer might not come into contact with that individual again. With this new approach, agents know the customer will come back again if they can't resolve the root cause of the issue. This setup combined with the team's "profit-and-loss ownership" create incentives for performance on metrics such as revenue, total cost, and customer satisfaction.

In addition, this system combines classic contact-center principles, such as routing and workforce management, with all five agile elements, enabling T-Mobile to significantly outpace its existing customer-care efforts on several key performance indicators: first-call resolution increased by 14 percent while net promoter score rose by nine percentage points. And in a reflection of the efficiency and visibility that TEX promulgated, the contact center

reduced the number of times customers were transferred by 70 percent. The new approach has also had an impact on employee morale and talent retention: the emphasis on engagement and teamwork among the squads led to a 40 percent drop in employee attrition. In this way, T-Mobile turned a challenge into a competitive advantage.

Financial services

A financial services provider faced a different challenge: its contact center was taking too long to resolve requests—sometimes as much as eight weeks. One reason for this poor customer service experience was that the provider had not designated an owner of the customer journey, which created siloed functions that were focused on tracking their own performance metrics without regard to overall goals. To remedy this situation, the provider aimed to streamline processes and reduce the number of requests that had to be handled by specialists, who were sometimes overwhelmed by the volume of issues that crossed their desks.

The application of agile principles led the provider to create self-managing, end-to-end teams composed of customer-care agents with colleagues from other relevant functions (Exhibit 2). Serving as single points of contact, these teams took ownership of issue resolution. This streamlined process improved customer engagement and significantly reduced the number of internal handoffs. To strengthen connections with customers, the provider coached agents to treat requests as if they were coming from personal friends. The provider also aligned performance metrics with the end-to-end customer journey to better track the ability of the team to resolve issues.

Establishing ongoing communication and teamwork across the contact center benefitted both customers and the provider. In just 12 months, customer satisfaction increased by 20 percent, while contact-center costs fell by 30 percent and employee satisfaction rose by 10 percent. The increased visibility also reduced unnecessary rework by approximately 60 percent. The provider used the success of the pilot to roll out the new customer-care model to locations in nearly a dozen different countries.

How to get started with agile

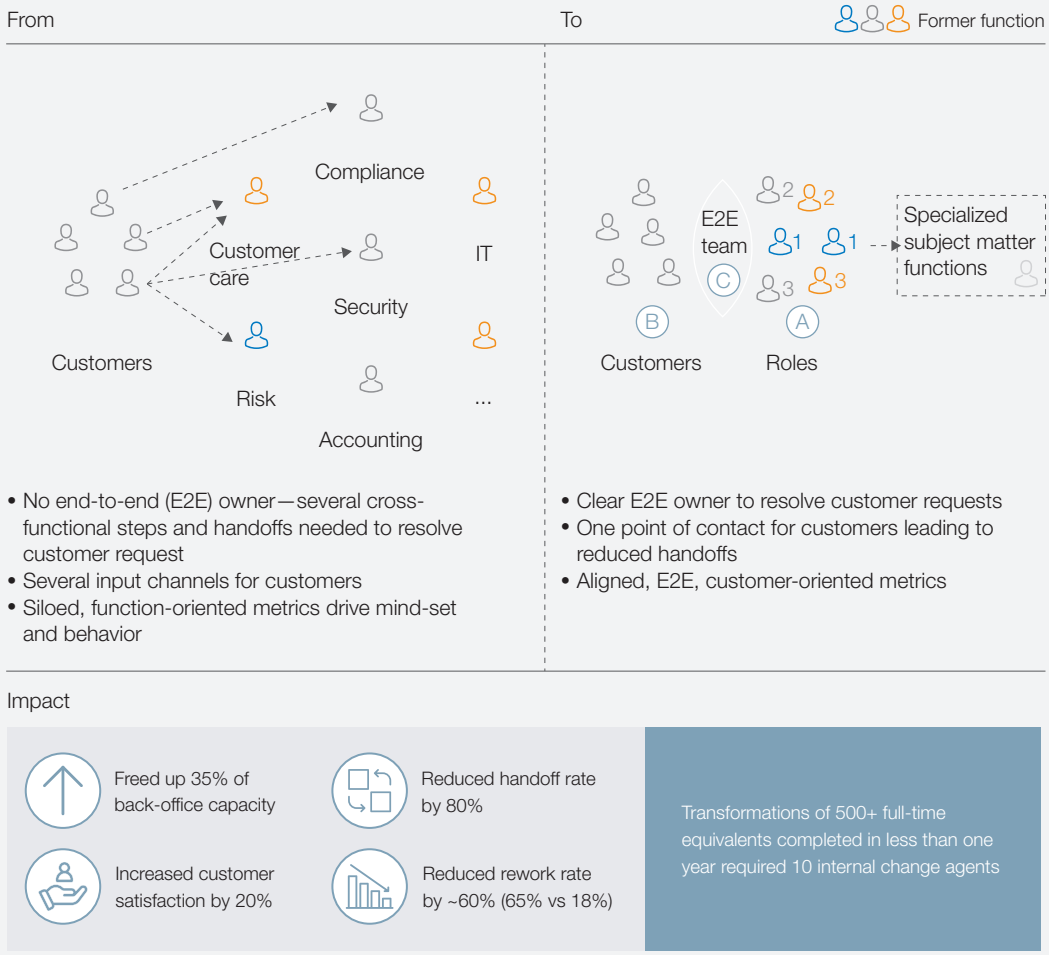
The agile playbook is well established, thanks to its success in other functions such as delivery organizations and project management. Still, the unique dynamics of customer care require companies to tailor plans for implementation and scaling. Customer-care executives should seek to integrate four best practices into their agile strategies.

Identify customer-care functions for selected pilots. The initial pilots should be concentrated in a discrete area of customer care—for example, around a product line or specific region. The process of mapping customer journeys end to end can help agents think about how their engagement at any given touchpoint contributes to a positive customer experience. The top priority when evaluating candidates for pilots should be to ensure that agents can get as close to the customer as possible. Companies must also determine how best to cluster their teams, as this composition has a direct impact on performance.

All of these decisions share a common goal: to empower employees and give them the perspective and support to think more proactively and creatively about customer interactions. In some contact centers, teams have more flexibility in rostering and staffing plans and eventually transfer part of the profit-and-loss authority to individual teams.

Create an agile culture and mind-set. Since contact centers have traditionally been highly structured, with a command-and-control management approach, moving agents from a purely executional stance to a more engaged, problem-solving mind-set is critical. In an agile contact center, everyone needs to work together and support one another. Employees who may have become used to the standard ways of working may need a compelling reason to adopt a new approach; a clear change story can be the stimulus.

Exhibit 2 **Agile principles helped one organization create self-managing teams with one point of contact.**



Source: Disguised client example

In addition, the physical layout of a contact center can send strong signals about the need to embrace collaboration. At one European contact center of a major telecommunications company, all of the employees who served specific customers were located on one floor with an open seating plan. Specialists were a visible presence, walking the halls, sitting next to agents, and sharing feedback on issues and how to resolve them. These measures serve to make call centers less anonymous and reinforce team spirit.

Prepare for the global rollout in waves. To scale successful pilots, companies must pay special attention to preparing employees for the shift to agile in advance, since selecting the right people to lead the rollout is crucial. Indeed, companies want to put

at the vanguard people who are well respected by their peers and can be effective evangelists for agile. And by modeling the desired behaviors, these leaders can reinforce the collaboration and dialogue necessary to provide better service to customers. T-Mobile, for example, had a competition to choose people to participate in the effort. Executives should also reach out to internal work councils to ensure they are on board and understand the new opportunities that agile can offer to motivated workers.

In addition, companies should upgrade their workforce to ensure they have the capabilities to excel in agile. Professional development and training programs can address the hard skills, but it's just as important to create an environment that helps employees gain the soft skills of teamwork and mentoring.

Go live and then improve continually. The beauty and challenge of an agile approach is that to be effective it must adapt to changing customer needs. Since the contact center has nearly constant engagement with customers, frontline workers will be the first ones to detect emerging issues, recognize trends, and then develop and test new ways of working to address them. Above all, teams need to remain flexible and be open to recreating themselves on a regular basis.

By keeping teams intact, companies can benefit from institutional knowledge and help to maintain morale among workers, who will take pride in having end-to-end responsibility for a product or region. Companies might need to invest in reskilling for agents in certain product segments or regions, depending on evolving customer preferences.

In the coming years, customer expectations will continue to evolve—likely at an accelerating pace, making the quest to please customers ongoing and continuously changing. Agile can not only improve customer-care outcomes in the near term but also lay the organizational foundation to respond quickly to shifting customer preferences. The prize is simply too big to ignore—not just more satisfied customers but also higher-performing customer-care organizations and happier employees. ■

[1] For more on agile organizations, see Aaron De Smet, Michael Lurie, and Andrew St. George, "Leading agile transformation: The new capabilities leaders need to build 21st-century organizations," October 2018, McKinsey.com.

[2] For more on how T-Mobile revamped customer service, see Matthew Dixon, "Reinventing customer service," *Harvard Business Review,* November 2018, hbr.org.

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