

All too often introducing new products means a deterioration in customer service but it doesn't have to be so • Andrew Mennie says, break the cycle.

Vicious to virtuous

The way utilities introduce new services can all too often result in a vicious circle that reduces the likelihood that these new services will be taken up. It works like this. The introduction of new services puts more pressure on the call centre staff whose job it is to sell and support these products. For home cover, for example, agents have to learn new processes and keep up to date with new tariffs and procedures.

The increasing complexity and pressures associated with working in a call centre have, perhaps unsurprisingly, had a negative impact on staff churn. According to Mercer's 2003 Call Centre Compensation Survey, the average turnover rate within call centres in 2003 was 33 per cent, with turnover most often occurring within the first year of employment.

This then has a number of knock-on effects. First, costs increase substantially, not only for incoming staff but for training existing staff on the new products. It may require as many as 14 weeks of training to get a call centre agent up to speed as they have to learn the contents of a folder several inches thick. Naturally, experienced agents tend to be more productive than new ones, so there are also costs associated with reduced efficiency. Second, the quality of customer service is reduced by the loss of experienced staff and by the lower job satisfaction of retained employees.

Finally, poorer customer service adversely affects the take up of new products. After all, customers are unlikely to buy additional services from a company if they are unhappy with the core services. Thus, the utility industry finds itself in a Catch-22 situation where revenues shrink despite the introduction of new products.

Fortunately, there is a way to turn this vicious circle into a virtuous one. Customer Interaction Management (CIM) software enables best practice processes to be captured in a knowledge base and made available to all call centre agents. This is not done via a series of static scripts: instead, agents are prompted to ask a series of questions and these are generated automatically 'on the fly', depending on the information entered into the system. This solution fundamentally rewrites the rules of the possible.

First of all, the process of capturing a set of processes within the knowledge base and making it available to agents can be extremely rapid, as short as 48 hours in some companies. This means that new products can be brought on stream rapidly. It also eliminates business process latency, the gap between the decision to introduce a new product and the point where the organisation has adjusted its processes to accommodate this change. Crucially, the knowledge base can prompt an agent to sell a new service at the most appropriate point in the dialogue with the customer,



Click and go: sophisticated scripting engines take the weight of responsibility off call centre agents

increasing the chances of the service being taken.

Second, the knowledge-based approach drastically reduces training requirements. For example, Southern Water reduced training times by 50 per cent by implementing a CIM solution. This minimises the costs associated with getting new staff up to speed with new services that are introduced, and also minimises the need for expensive specialist support staff.

A knowledge-based approach also significantly reduces the amount of information that agents are required to hold in their heads. This means that the utility is less beholden to the 'inside knowledge' of experienced agents and therefore less vulnerable to staff churn. It also means that staff are less likely to churn: our experience shows that a happier, more productive workforce results from lifting the burden of information acquisition and retention from the shoulders of call centre staff and providing them with a tool that facilitates the provision of good service.

CIM solutions can also alleviate the burden on the call centre by enabling the introduction of self-service strategies. Once best practice has been captured in the knowledge base, it is relatively straightforward to make that available to customers via the internet. They are then 'walked through' a service call in much the same way as a call centre agent would, only without always needing the intervention of the latter.

Collectively, central capture of best practice and a better motivated and better informed employee base should naturally result in

improved levels of customer service. Again this is borne out by experience. Centrica found that its CIM solution dramatically improved its agents' ability to correctly identify the parts required and significantly increased the incidence of 'fix by phone'. Transco experienced a 21 per cent reduction in call handling time and Southern Water enjoyed a 60 per cent improvement in solving enquiries at the first point of contact.

Of course, utility companies are under continuous pressure not only to increase sales but to cut costs. Another key advantage of CIM solutions is that, by enhancing the agent's ability to correctly analyse and diagnose problems, it can significantly reduce the number of field visits required – perhaps the most expensive of the day-to-day processes carried out by a utility company.

In some cases the resulting savings can be little short of spectacular. For example, Southern Water cut callouts overall by 25 per cent, unnecessary callouts by 58 per cent and calls needing callout by 42 per cent. To put these figures into a financial perspective, Transco saved £1.8 million annually by eliminating 8 per cent of all field visits, meaning that its investment in the CIM system paid for itself in less than five months.

The nature of the vicious cycle now associated with the introduction of new services is well understood – the nature of the virtuous cycle that will address it is less so. CIM could offer a way out.

● *Andrew Mennie is European vice president and general manager at eGain Communications.*