



## Modernizing the Contact Center

*Metrigy CEO & Principal Analyst Robin Gareiss summarized some questions she has been fielding from enterprise IT and CX leaders. As companies invest heavily in their customer experience strategy, they are seeking the best ways to upgrade and optimize their technology to continuously modernize their contact centers.*

### **Q: How do companies modernize their contact center?**

A: It's important to note that modernization projects are never truly finished. Once a technology is added or optimized, new options become available almost overnight. So CX leaders need to view "modernization" as a continuing discussion, project, and set of changes. The goals and drivers vary from company to company, and even from project to project, but the most successful companies always have a business problem or opportunity at the center of the modernization initiative. Success metrics typically include revenue increases, cost decreases, improved customer satisfaction, or other agent-focused Key Performance Indicators (KPIs).

These days, organizations are launching dozens of projects to modernize their contact center. One of the key success criteria is to integrate when adding new technology. In other words, don't create siloes of new technology; rather, integrate any new capability or feature into the existing contact center platform.

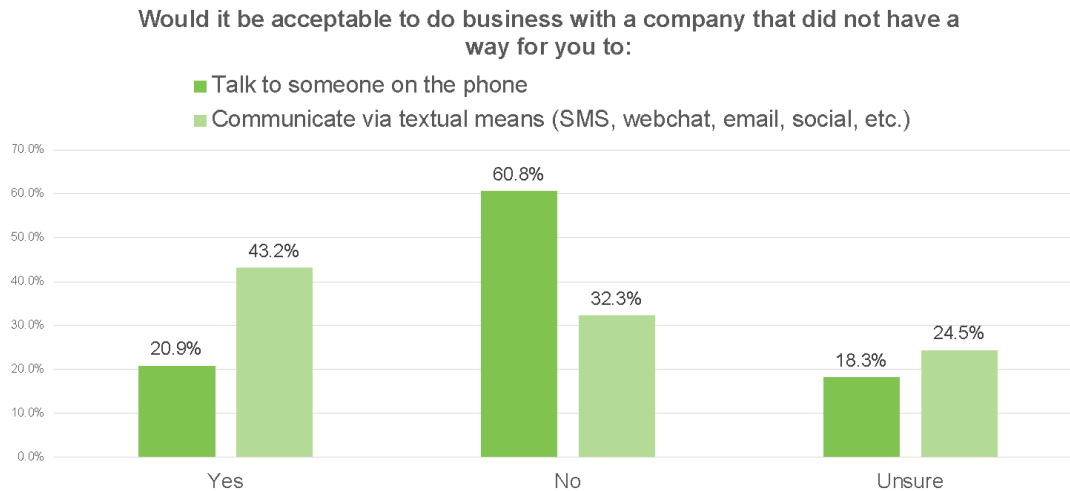
Here are three common ways companies are modernizing their contact center:

#### *1. Adding Digital Channels*

First, they're adding non-voice digital channels, including SMS, webchat, virtual assistants, business messaging services, video and screen-sharing, social media, and in-app chat. Nearly 90% of companies already support voice and email in their contact centers, but new options for customers to interact are well-received.

Though there has been some discussion about digital channels overtaking voice at some point, I don't see this as a wise move. Offering options? Yes. But completely eliminating the ability for customer to verbally communicate with a customer service or sales representative? No.

Today, 73% of all interactions use voice, either initially or as an escalation point. Though voice usage may decline as digital channels improve at problem-resolution (69% of interactions that start in digital channels are resolved there now), some situations will always require live voice interactions. And in Metrigy's *CX Optimization – Consumer Views* research study, only 21% of consumers said it would be acceptable to do business with a company that didn't have a way to talk to them on the phone.



## 2. Incorporating AI

Second, they are incorporating artificial intelligence (AI) into their contact center platforms and operational processes. More than 80% of companies describe their AI-for-CX strategies as either mature or fairly far along. They are using a variety of AI-powered capabilities, including virtual assistants, agent assist, transcription, translation, intelligent routing, generative AI, and more.

Their goals are to improve the aforementioned business metrics. Our research shows that AI overwhelmingly improves the metrics—the extent depends on which form of AI and what business problem or opportunity it’s addressing.

## 3. Adding Analytics

Third, they are adding analytics capabilities to track and measure success and areas ripe for further improvement. This is a hugely important area—and one that I evangelize about frequently. Analytics come in many forms and are used for agent performance, customer satisfaction, financial performance, scheduling capacity planning, and more. I think it’s imperative to have a customer insights or Voice of the Customer (VoC) program. Nearly half of companies in our research have a VoC program in place, and 61% of them take action on the insights they garner.

The action they take falls into four categories: sharing feedback with employees; making adjustments to strategies and scripts; asking customers to write reviews or provide referrals; and changing technology deployment based on customer feedback.

I can't stress enough how important VoC programs are. After all, if you don't know what your customers think or how they're responding to the service you're delivering, how do you know if your technology, operational processes, management, training—everything—are working?



**Q: Adding new technology is essential, but to what extent can companies innovate without disrupting their existing technology platforms?**

A: This question comes up often for companies that have on-premises contact center or Unified Communications (UC) platforms. Specifically, CX leaders evaluate whether they can keep their on-prem contact center platform and still innovate (with the addition of AI-based apps like conversational intelligence, agent assist, generative AI, and more), given most vendors are investing R&D dollars on cloud platforms. The answer is yes!

In our upcoming *Customer Experience Optimization 2023-24* global research study, 69% of companies that use on-premises platforms say they integrate them with cloud-based applications, and 51% say they find plenty of innovation directly from their on-premises providers in their cloud platforms or their on-prem solutions.

CX leaders must decide whether to completely rip and replace their platforms, migrate to the cloud with a hybrid architecture, or innovate directly onto the on-premises platform. Though some companies do a flash-cut to the cloud, most adopt a hybrid approach where they keep their on-premises core platform and integrate new cloud-based apps. Over time, if desired,

companies can methodically migrate to cloud platforms, so innovation is happening without disruption. In fact, 56% of companies use cloud only for their remote contact center agents.

Regardless of the contact center architecture, adding *and integrating* non-voice digital channels is an essential part of any modernization strategy. Leaders should not be satisfied with status quo, because their competitors are not! Customers want options to communicate, and the architecture should not be an excuse for failing to innovate, add interaction channels, move workers to home offices, or add advanced apps. The contact center vendors that continue to support on-premises platforms have options that don't require a flash-cut move to the cloud.

And one more thing: Whether hybrid or single architecture, ask providers if they unify data streams for both digital and voice channels, as well as the analytics data and administration capabilities—delivering all to the agent or supervisor in a single pane of glass. Doing so eliminates the need to toggle screens and also delivers a cohesive view of channel performance.

**Q: Do business leaders view these changes as truly transformative? Are they considered digital transformation projects?**

A: Digital transformation is a buzzword that is somewhat overused. I'd argue that most digital transformation projects these days are actually CX transformation projects. Metrigy defines CX transformation as the innovative application of new or existing technologies to improve the customer and/or agent experience, ultimately driving measurable business value.

Companies overwhelmingly are transforming customer experience. In our *CX Optimization* study, 83% of companies have completed a CX transformation, have a project underway, or plan to start one by the end of 2023. Adding technologies and updating architectures, indeed, are considered transformational. For example, 40% said they were adding cloud-based apps to on-premises platforms; 33% were moving off on-premises platforms to cloud platforms; and 27% were adding or improving non-voice digital channels.

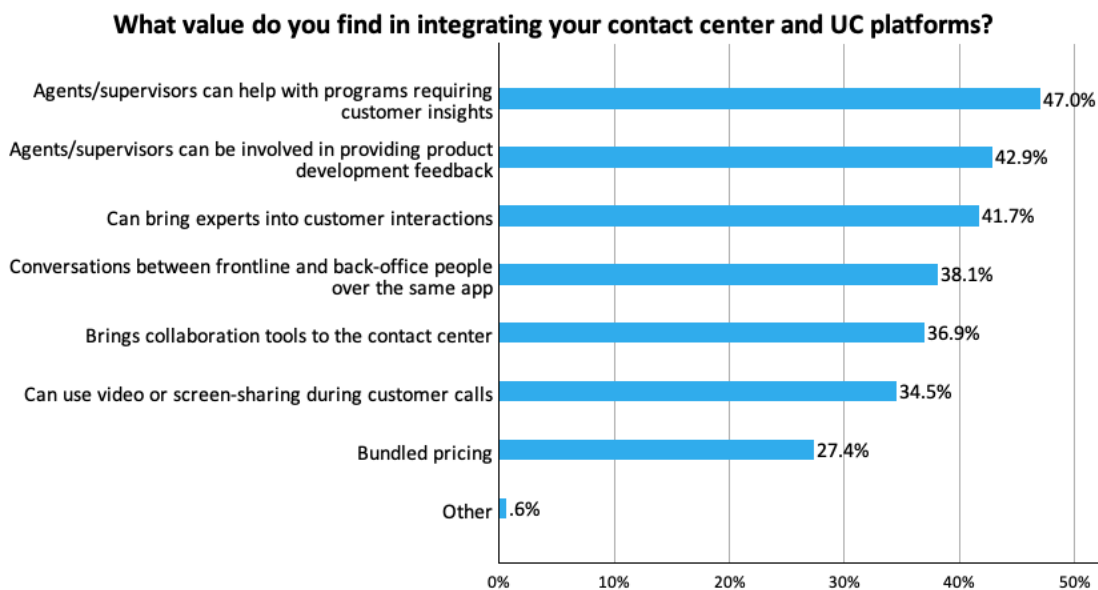
Nearly half say their transformation project was more foundational—integrating their contact center with other platforms, such as UC, Communications Platform-as-a-Service (CPaaS), or AI platforms. In fact—given this is such a hot topic these days—I'll mention that 41% are adding generative AI as their CX transformation project. Platform integration also involves customization of workflows, and further integration of custom or off-the-shelf applications. This is where APIs and developer resources are vital to success.

**Q: Why do companies find value in integrating contact center and UC?**

A: We did ask IT and CX leaders what value they find in integrating their contact center and UC platforms. The top response (47%) is that agents and supervisors can help with programs requiring customer insights, followed by agents and supervisors providing product development feedback (43%) and the ability to bring experts into customer interactions (42%). All of these

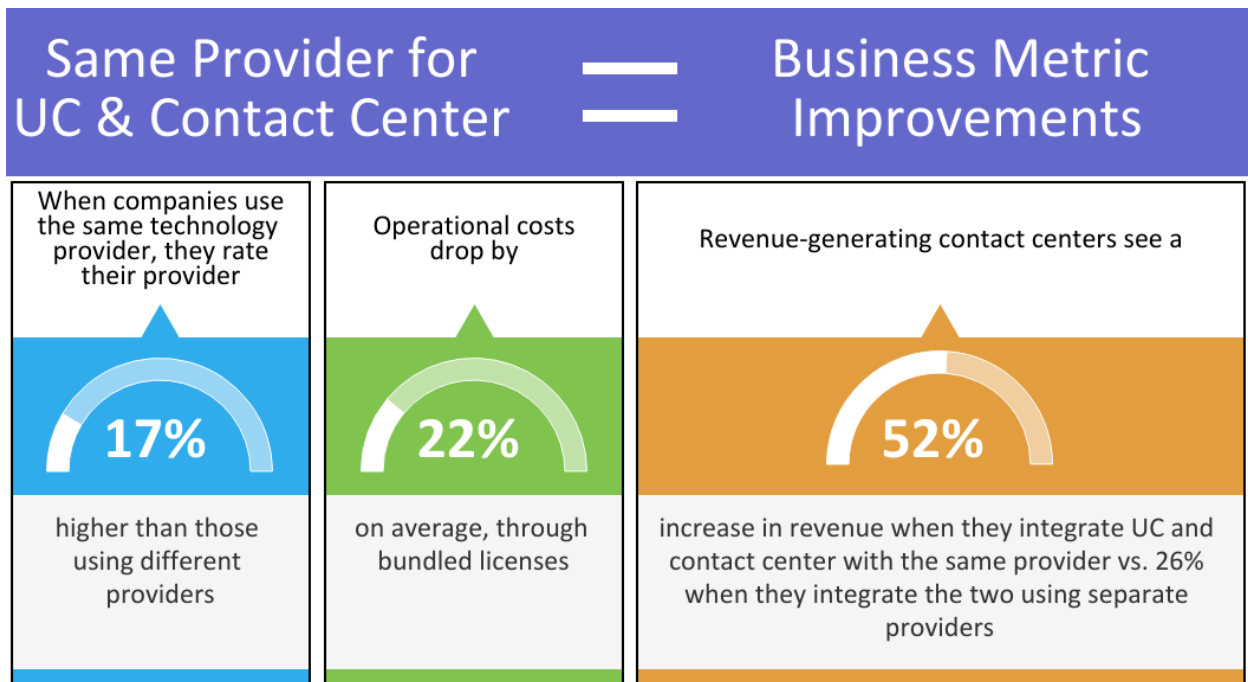
benefits are enabled by having agents and all other employees on the same collaboration platform, so they can communicate through team workspaces, instant messaging, video or screen-sharing, and voice. Most importantly, it becomes simple to add a subject matter expert to a customer interaction, when needed.

The value has been shifting as companies continue to leverage the integrated platforms. Now, product development, marketing, and sales see value in connecting with agents and supervisors to get their input on new programs or product development. That wasn't originally a big driver to integrate platforms.



It's important to note, though, that the way they define integrations vary—to some, it's full and native platform integration from the same provider and with the same user interface; to others it's an API between two different providers' platforms; to others, it's having a consistent set of tools, like analytics or video, across both platforms.

Though it's not required, those using the same provider for UC and contact center find business metric improvements. For example, when companies use the same technology provider, they rate their providers 17% higher than those using different providers. Operational costs drop by 22%, on average, through bundled licenses. Revenue-generating contact centers see a 54% increase in revenue when they integrate UC and contact center with the same provider, vs. 26% when they integrate the two using separate providers.



**Q: Even though the UC and contact center platforms are integrated, does that mean that everyone in a company has licenses to both platforms?**

The trend is moving in that direction: 46% of companies buy either full or partial contact center and UC licenses for all employees. Smaller companies—those with fewer than 250 employees—are more apt to buy full licenses for everyone in the company because each employee wears multiple hats in a smaller business. Midsize and large companies are more apt to buy partial licenses for select employees who need access to contact center technology or analytics data.

By giving employees contact center licenses, they can use the technology internally for support centers, but an emerging driver, as mentioned, is to bring key subject matter experts into conversations with customers or prospective customers.

Additionally, executives, as well as employees in marketing, sales, and product development use licenses to review customer feedback. Analytics is definitely a big reason companies extend contact center licenses to others in the company. They can view, firsthand, data that helps them determine whether their sales or marketing strategies align with customer insights, or whether new products will address customer issues.

**Q: It's great that agents can rely on others in the company—and that they're no longer on an island, as they were for so many years. What do companies need to do to make sure agents have what they need to do their jobs effectively?**

A: Improving the agent experience has become a big area of focus, as it's clear that happy and productive agents create happy customers. Not only that, when companies focus on agent success, they reduce turnover and the associated costs of hiring new agents. Our research shows that when companies can keep turnover below 15% annually, they improve customer satisfaction ratings by 26%, on average.

So what can companies do to improve the agent experience? Be deliberate about making the improvements. Modernizing the contact center, and implementing technologies with the goal of bolstering employee satisfaction, goes a long way. Develop a formal agent retention strategy, as 54% of companies already do. Within that strategy, successful companies do the following:

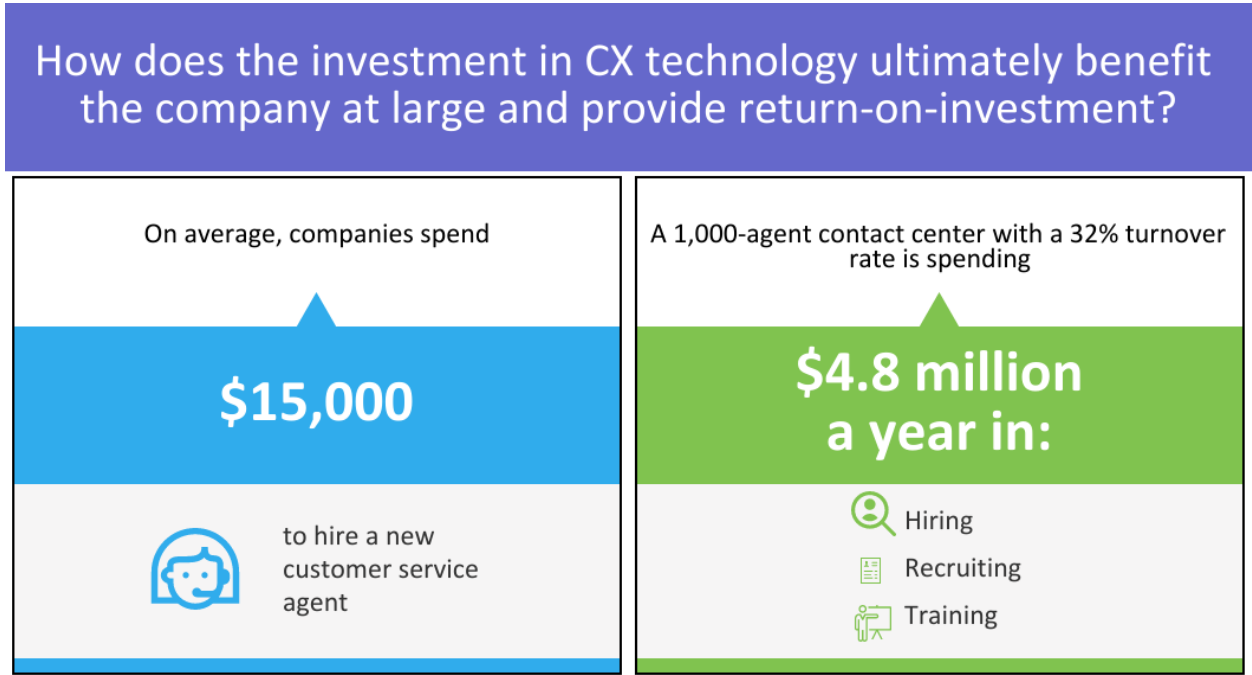
- Help agents in their customer interactions in real-time. For example, provide information in a natural and timely manner via agent assist, combined with system integrations (such as CRM) that provide agents with the data needed to best serve customers.
- Consider a work/life balance and provide flexibility, self-service, and automation of scheduling through workforce management tools.
- Coach them in multiple forms, including automated training from within Workforce Engagement Management (WEM) analytics capabilities, and live with the supervisor. Either form should leverage customer insights and feedback, coupled with performance analytics that share customer sentiment data—and track changes over time.
- Implement an agent wellness program through Workforce Optimization (WFO) tools. Everything from gamification to bonuses for meeting KPIs to opportunities for them to provide feedback should be part of the plan. And some companies need to add or automate simple scheduling functions, like making sure agents get enough breaks and time for lunch each day. All of these functions help ensure a positive culture.
- Automate tasks that will make agents more productive and improve their KPIs. For example, use AI for transcription of calls to reduce after-call work, or automate follow-up emails or text messages to confirm follow-up.

- Provide them with a career path. Some customer service or sales agents want to stay in that role for the foreseeable future; others want to use it as a stepping stone to move into another area of the company.

Successful contact center employees are incredibly valuable. They know customers, products and services, company operations, and more. They're disciplined, and they know how to use technology. Don't lose them to a competitor.


**Q: How does the investment in CX technology ultimately benefit the company at large and provide return-on-investment?**

A: I could write a book on this! There are so many ways that CX technology investment benefits the company overall. For example, by using WEM/WFO tools, companies will reduce agent turnover and improve the quality of their agents. That bolsters the brand through consistent customer service, high customer ratings, positive reviews, and referrals. It also provides a good return on investment to use the technology to reduce turnover rates. On average, companies spend \$15,000 to hire a new customer service agent. A 1,000-agent contact center with a 32% turnover rate is spending \$4.8 million a year just in hiring, recruiting, and training.



Our consumer perspectives research showed that customers will leave a company after three bad experiences. At the same time, 48% say they have seen a positive impact of technology on their interactions with companies (35% said they didn't see a positive impact; the remaining





17% were unsure). Indeed, technology that enables a modernized contact center can improve brand perception.

By using AI and analytics, companies should find improvements in interactions, success rates, and customer ratings. For example, when companies add conversational AI, their customer ratings increase by 27% and their revenue goes up by 21%.

A key best practice is to measure success. Determine the metrics to track, measure results on consistent intervals, and adjust the use of technologies based on those measurements. Then, brag! Report on the results of those metrics to help secure budget for the next project.

