

KANA.

Balance The Competing Demands of Your Customers And Your Business

By Esteban Kolsky

Table of Contents

Executive Summary3

Introduction4

The Growing Demands on Customer Service4

The Balancing Act in Customer Service5

In Search of a New Customer Service Model6

The Return of the Customer Service Mashup7

Three Action Items to Start8

About Esteban Kolsky9

About KANA9

Executive Summary

The hopes of Customer Service have lately been placed on Customer Experiences. As the theory goes, if you deliver excellent Customer Experiences, they will be satisfied, loyal, and increase their wallet-share with an organization. Alas, a recent study found that although 80% of companies believe they are doing an outstanding job in delivering those excellent experiences, just 8% of their customers agree.

The issue has shifted from whether it is the best move to deliver Customer Experiences, to how to do a better job. Organizations that want to improve the experiences they deliver must reach a balance between serving the needs of their organization, and meeting the expectations from their customers – all at the same time.

To deliver in this need, organizations are realizing that even though it is not all about technology, it does play a significant role; existing technology is not ready to deliver. The question is not whether technology refresh is a necessity, which it is, but how to create a better architecture to support the business needs.

Striving to create and deliver better experiences will necessitate two things to work jointly: a new architecture to support a distributed execution model that leverages past investments and the necessary changes in measurement, governance, people, and non-technical processes to accommodate the new reality.

Organizations that act on this new model will experience better tracking of metrics and measurement, optimized leverage of existing investments, and stands ready to take their Customer Service model to the next generation – cross-channel Customer Service focused on delivering excellent experiences.

Introduction

According to a study by Bain and company, 80% of organizations think they have done a great job of providing good experiences for their customers. The problem is that only 8% of their customers agree. In other words, either companies don't know what their customers want, or don't know how to deliver it.

Having spent many years working with organizations of all sizes, I am going to side with the second option: organizations are having a hard time delivering to their clients' needs and demands.

And, it is about to get worse.

The Growing Demands on Customer Service

Customer Service has traditionally been the function that remains in closer contact with the customer. In some industries, over 90% of all interactions happen via Customer Service. They are the front-line of the relationship, and in most cases they retain command and control of how that interaction flows.

Business Demands on Service



Demands on Customer Service are nothing new; they have always been the recipients of multiple requests from myriad sources: business stakeholders within the organization expect them to deliver customer data,

insights, and information derived from those interactions, customers expect them to deliver against their needs, wants, and desires, and management expect them to always deliver more with ever-dwindling resources.

Lately, though, it seems that those demands have become better tuned to delivering value – to all involved parties – and this is an area where Customer Service solution providers can add value.

The expectations for Customer Service to deliver value are centered on six areas:

1. **Technology Refresh** – Every so often, usually when new tools and technologies reach critical mass, customer service solutions will get a face-lift, a technology refresh. This is a good time to catch up on the latest improvements, implement new features and channels, and conduct an audit of where Customer Service is and where it needs to be. Due to the sudden and expedient rush to Social Media and Customer Experiences in the past two-three years, the time for the technology refresh is now. That means that customer service organizations are evaluating their existing solutions and what's available, making decisions on how to change their customer service model.

2. **Shifting Channels** – Channels are poorly understood, to say the least, by most customer service organizations. There are many who believe they are all very different and must operate separately, while the modern view of the contact center talks to integrated, centralized channel management and architecture. The move to accommodate the new channels while still supporting the old ones – without forgetting that they all must operate equally puts a lot of pressure on customer service organization without a clear solution.
3. **Leverage** – Virtually all components of a customer service center (whether call center or contact center) have already been implemented. Some of them – actually a lot of them – more than once. It is now time to begin to consolidate and leverage them as new channels, solutions, and models are deployed. Pressure rises on Customer Service organizations to consolidate and reuse existing modules.
4. **Innovation** – Even though technology and tools are being refreshed and reused, innovation in Customer Service is almost non-existent. The traditional model for interacting with customers, regardless of channels, remains the same as it always was. This lack of innovation in how to do customer service leads to innovation on how to do it better – more efficiently, more effectively, faster, cheaper, and easier. It is this process innovation that will lead Customer Service forward in the next twelve months.
5. **Voice of the Customer** - The customer has risen! Whether via social channels or traditional channels, the customer today is more vociferous than at virtually any other time in the past. This change is not only about expressing their views, opinions, and feedback – but also demanding that it is used, that changes take place, and that processes be improved to serve their needs, not the organizations’.
6. **Customer Experiences** - Finally, the movement that has been pushing change in Customer Service for the past four-to-seven years: focusing on delivering better experiences for the customer. The change from interaction-centric behaviors to experience-based behaviors (both for the customer and the organization) brings heavy demands to create and constantly improve the previously-deployed interactions as experiences.

As you can see, not all of these demands are contradictory to each other – actually, a set of common requirements emerge, urging a new way to manage customer service.

The Balancing Act in Customer Service

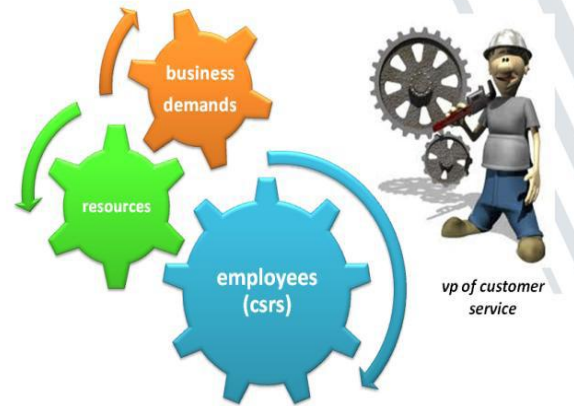
This is where it gets interesting, actually. Customers want a simpler, better, faster model for Customer Service that will allow them to interact through any channel, in their preferred manner of behavior, to complete their jobs. Organizations want to deliver simpler, faster, better Customer Service solutions to reduce the costs and bother of running customer service.

The balancing act of making both happen at the same time is the job of the VP of Customer Service or Customer Service Manager.

This individual must consider the many cogs in the Customer Service wheel and make sure they all operate together, well enough, and with the minimum disruption to the business operations – while keeping in mind the three critical aspects of delivering Customer Service solutions:

Business Demands – The demands highlighted in the above section influence the direction that Customer Service takes and how the cogs in the wheel work together. The Customer Service Manager must consider all of the above demands while remaining focused on how to deliver the best possible solution – not an easy task in complex enterprises with highly charged political and economical considerations.

Making Customer Service Work



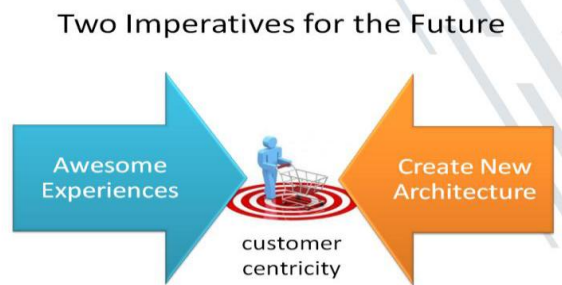
Resources – Of course, delivering on demands is simple with unlimited resources (budget, time, technology, channels, governance support, etc.), but this is never the case in any organization. The very limited set of resources available to the Customer Service Manager makes it virtually impossible to deliver a balanced experience for organization and customers. As an example, a change in regulations requires customer service to adapt to new rules and behaviors with the same employees and systems as before – not very easy to do.

Employees – The most critical cog in the wheel, and the most susceptible to break down. While technologies are replaceable, employees are not so easy to replace – at least not properly trained and with adequate talents. Carefully considering the needs and demands of the employees, and countering those with the business demands and available resources is how a Customer Service solution is created. Empowering the employees to make some of the decisions previously made by the Customer Service Manager – in real time – is the latest trick to make the solution work better.

In Search of a New Customer Service Model

The balance between providing a Customer Service solution that fulfills the needs of the organization, while keeping the demands and expectations of the customer at the same time has its apogee in a customer-centric model. A win-win model where the focus is on the customer needs and the organization’s wants at the same time, a customer-centric model is focused on making sure that customers’ expectations are met while maintaining a financial, regulatory, and governance view of the organization’s ability to deliver at the forefront.

A customer-centric model is not a new concept. What’s new is the availability of feedback from customers (in form of unstructured feedback) in massive volumes, and the flexibility of tools and technologies to morph to those shifting needs and desires in real-time – while



maintaining sufficient control of the outcomes to incorporate into the corporate strategies, goals, and objectives is something we are just beginning to **observe** and experience.

Coupling the building of these awesome experiences with the new architecture necessary to

support the above demands and objectives is imperative for Customer Service organizations – especially those that are embarked in customer-centricity or customer-experience initiatives.

To make all this happen, the traditional model of delivering customer service in a static manner – that is build a process, implement it, and change it little or nothing – is not viable. Organizations embarking on this change to become more customer centric, to deliver better against their needs and their customers desires, and who want to focus on awesome experiences need to leverage a new model of Customer Service – one that we have seen before, but were not able to implement from lack of the right components.

The Emergence of Customer Service Process Mashups

Mashups have existed for a while. IT organizations have deployed them, successfully, to consolidate access to tools. With Mashups, instead of hunting and pecking, agents can access all their tools in a single place. Great. But mashups have failed to help the agents and guide them through the best process of completing a task. In other words, a traditional mashup is like toolbox – everything is in place and easily accessible. But a toll box does tell the user which tool to use and how for a particular task.

Thus, we are seeing an emergence towards a flexible architecture with many little pieces capable of completing a single task or assisting in completing complex tasks as well. The concept of a process mashup, gathering the necessary technologies and tools from myriad available ones, and build a specific-purpose-style mini-application to do what is necessary – while leveraging existing systems and components, is making a return appearance.

Laughed out of the enterprise due to the complexity of deployment and management, traditional mashups have gotten smarter in the past few years. It is no longer a requirement to have a complex development cycle – rather to know how to leverage existing platforms and components into building new functionality from them. Knowing what is the end-goal of any interaction, what platforms provide elements or components that may help, what tools and technologies exist to help – and how to implement it and make it work are the staples of today's process mashups.

The new customer service model



Customer Service is being reinvented as a series of highly specialized, highly flexible, well integrated process mashups that leverage systems, tools, technologies and (more importantly) existing and new data. In this new model it is very simple to deploy a new channel, accommodate a change in legislation or regulations, or even change the way a process is executed. Being able to change the code in a simple, small component instead of an entire software package is critical for the Customer Service Manager to deliver the best working wheel, to accommodate the demands from the business, and to meet or exceed the expectations of customers.

Three Action Items to Start

Adopting such architecture is not an overnight task, nor is something that can be totally planned ahead of time. Changes to the strategy and adoption plans are going to be necessary as it progresses. However, there are three key actions any organization can take to be ready for them:

1. **Focus on the Architecture** – A quintessential component of this architecture is the flexibility and dynamicity it presents to connect all components and modules, while allowing for easy leverage of what was already created. To support this flexibility, proprietary and cumbersome integration layers and connectivity, as traditionally required by end-to-end integration architectures, cannot be used. The best platform to use is one that supports SOA (Service Oriented Architecture), and any organization that is planning on moving towards mashups to deploy Customer Service must consider the standard as a way to create and deploy rapidly and simply.
2. **Operational Efficiencies** – Implementing Customer Service process mashups will bring Operational Efficiencies, mostly from being able to re-create similar processes in different channels, react to changes very fast, even from integrating disparate systems into one common interface without much trouble. Alas, these operational efficiencies are usually not sought – rather experienced as an after fact. World class organizations will indeed seek those operational efficiencies as part of the planning process for

mashups. Probably not before the first ones, but as soon as they realize what they stand to gain – they will definitely do so. Especially as they have acquisitions, or bring in new functionality to leverage existing operational efficiencies.

3. **Tracking** - As mentioned above, one of the pressures of moving to this new architecture is the migration from single-channel to multi-channel to cross-channel. This migration brings with it the added pressure of having to monitor and track all interactions across all channels – even report one interaction that starts in one channel and ends in another. The mashup architecture as described above makes it easier (the solution still relies on a proper cross-channel measurement strategy; this architecture simply provides the framework to make that happen). Knowing that you can now track, monitor, and measure metrics across channels and interactions is a benefit that should make it easier and better to plan for the deployment of those measurement strategies.

About Esteban Kolsky

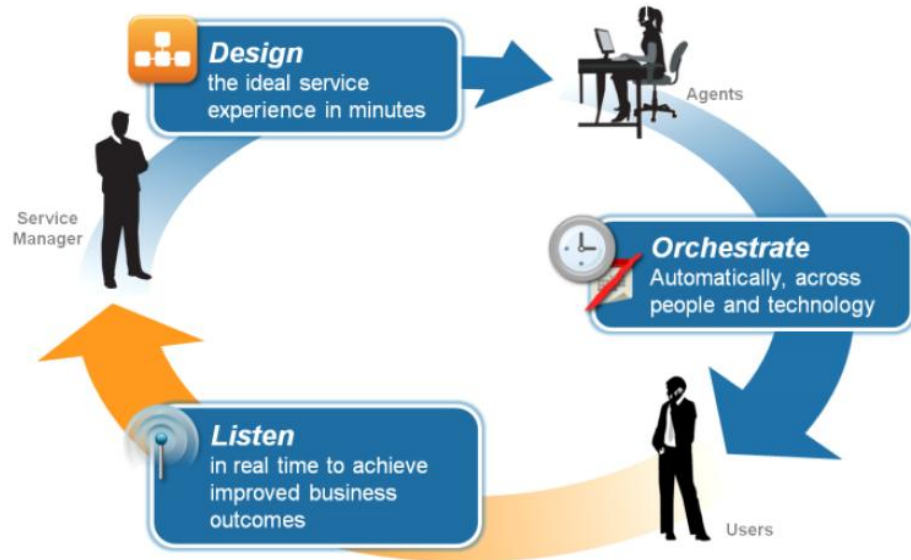
Esteban Kolsky is the Principal and Founder of ThinkJar, an advisory and research think-tank focused on Customer Strategies. He has over 22 years of experience in customer service and CRM consulting, research, and advisory services. Most recently he spent eight years at Gartner, focused on Customer Service and CRM research. While there he coined



the terms for EFM (enterprise feedback management) and CIH (customer interaction hub). In addition, he researched and wrote on the social networking topics that led to today's revolution and assisted Fortune 500 and Global 2,000 organizations in all aspects of their CRM deployments. Mr. Kolsky is currently advising vendors and organization how to extend customer interactions from the CRM niche to the entire organization in their efforts to become Social Businesses.

About KANA Service Experience Management

KANA SEM is the industry's first service experience management (SEM) platform for managing the entire customer service experience. KANA's SEM platform helps major corporations and institutions balance the demands of their business with the needs of the customer.



KANA SEM introduces the industry's first platform that incorporates a Design-Orchestrate-Listen methodology which enables corporations to provide cross-channel contextual support built on the foundation of knowledge infused customer service processes.

KANA SEM integrates IBM Information Management® and IBM WebSphere® products into the solution to deliver a high performing, reliable solution out of the box.

To learn more about Service Experience Management and how KANA can help you balance the competing demands of your customers and business, please call us at 1-800-737-8738 or visit our website at www.kana.com.

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840 W California Avenue, Suite 100

Sunnyvale, CA 94086

T 650.614.8300 | F 408.736.7613

www.kana.com

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