HOW TO CREATE A CUSTOMER SERVICE-CENTRIC CULTURE

BASED ON AWARD WINNING CONTACT CENTERS

DEFINITION, ITS BENEFITS, MEASURING IT, AND BEST PRACTICES FOR IMPROVING IT.

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CUSTOMER SERVICE-CENTRICITY DEFINITION

Customer centricity is a service operating practice based on putting your customers first and building long-term customer relationships. Being customer-centric is done by delivering positive customer experiences before, during, and after purchasing a product or service. Moreover, creating a customer service-centric culture requires leaders to align their people, processes, and technology practices to support their service-centric culture efforts.

Most contact centers feel they have a customer service-centric culture. In our recent contact center research, we asked industry practitioners the question, "Does your contact center have a customer service-centric culture?" 59% responded that they 'completely agree' their contact center is a customer service-centric culture.

However, based on SQM Group's contact center customer service benchmarking research, we would characterize less than 25% of contact centers as having a customer service-centric culture. Furthermore, if you use world-class or high customer satisfaction (Csat) as the criteria for determining if a contact center has a customer service-centric culture, it would be less than 10%. Clearly, there is a disconnect between how customers and contact center managers view customer service-centricity.

SQM research shows that 93% of customers using the contact center channel and 72% of customers using the website channel expect to resolve their inquiry or problem in one contact using only one channel. So when the mission is to deliver a great customer experience (CX) on any contact channel used by the customer, One Contact Resolution (OCR) is what today's connected customers really want for CX. However, based on the 500 leading North American contact centers SQM benchmarks on an annual basis, an alarming 42% of customers cannot resolve their inquiry or problem on the first contact using only one contact channel.

Why do so many contact centers struggle to have a customer service-centric culture? SQM's view that perhaps the biggest obstacle that hinders contact centers from being customer centristic is that their company overall does not have a customer service-centric culture. Most companies have a sales, product, or cost driven culture. They might describe their culture as customer service-centric, but in many cases, their customers would not characterize their companies in the same manner.

Given contact center management's struggle to create a customer service-centric culture and deliver a great customer experience, we thought sharing SQM's experience about the differences between Outside-In and Inside-Out CX operating practices would be helpful.

SQM's view that one of the main reasons companies struggle to be customer-centric is that they use an inside-out approach to guide decision-making for their people, processes, and technology practices.

CX operating practices can be an Outside-In or an Inside-Out approach. The difference is the "Outside-In CX operating practices are based on putting the customer first for how they operate. Conversely, the Inside-Out CX operating practices are based on putting the organization first." In many cases, when decisions are made with an Inside-Out approach, they meet the companies needs but not the customers.

Furthermore, when a company uses an Inside-Out approach for CX operating practices, there can be a big disconnect between how the company views how they are delivering their service versus how a customer views the service they experience. In most cases, the companies consider the service they provide much higher than how customers rate it.

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THE BENEFITS OF A CUSTOMER SERVICE-CENTRIC CULTURE

A customer service-centricity culture has become a critical success factor for company growth and profitability because focusing on improving customer service supports achieving company objectives.

Contact Center: High Customer Service Delivery Benefits

Customer service is the most critical component of a contact center. Your organization might have excellent products and low cost, but if your contact center's customer service is poor, it will negatively affect your overall customer relationships and brand image.

In addition, customer service is important because if it is great, a contact center can help improve customer satisfaction, lower operating costs, reduce customers at risk of defection, increase opportunities to sell, and the transactional Net Promoter Score®. The below 5 statistics illustrates the importance and benefits of delivering contact center great customer service:

- For every 1% improvement in FCR, there is a 1% improvement in customer service Csat.
- For every 1% improvement in FCR, you reduce your operating costs by 1%.
- 95% of customers will continue to do business with the organization when they experience FCR.
- When a customer's call is resolved, the customer cross-selling acceptance rate increases by up to 20%.
- The transactional NPS average is 64 when customers resolve their inquiry or problem in one call (FCR).

Company: High Customer Service Delivery Benefits

It's challenging to differentiate a company based on your products and services. However, customer service might be the only way to differentiate a company from your competition in a sea of sameness. The below 5 statistics show the value and benefits of great customer service and why all companies need to get on board the customer service train:

- Companies that excel at the customer experience grow revenue 4% to 8% above their market.
- Two-thirds of marketers responsible for CX say their companies compete mainly based on customer experience.
- If a company provides a great customer experience, consumers will pay a premium price of up to 16%.
- It costs five times more to attract a new customer than it does to retain one.
- A 2% increase in customer retention is the same on profits as cutting costs by 10%.

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MEASURING THE SUCCESS OF CUSTOMER SERVICE-CENTRICITY

Not every company will use the same metrics at the contact center or at the enterprise-wide level to measure the success of their customer service-centricity for delivering a great customer experience. SQM's view is that measuring the success of being customer service-centric should be based on letting the customers judge their experience, and the company determines internal metrics performance.

TOP 10 CONTACT CENTER CX METRICS

SQM's top 10 CX metrics for measuring customer service-centricity success provide valuable insights on customers' experiences when using a contact channel or multiple contact channels to resolve an inquiry or problem and on transactional overall customer relationship performance. The top 10 contact center CX metrics are measured by the voice of the customer (VoC) post-contact transactional survey method. The measurement and reporting of the CX metrics should take place daily. So here are the top 10 customer service metrics used by contact centers genuinely committed to being customer service-centric:

1. Contact resolution
2. First contact resolution
3. One contact resolution
4. Contact channel Csat
5. Customer emotion experience

6. Seamless experience
7. Omni-channel experience
8. Transactional CX greatness
9. Transactional net promoter score
10. Transactional net retention index

TOP 10 ENTERPRISE-WIDE CX METRICS

Curious about what customer service-centric metrics are used at the enterprise level for leading North American companies that you should be measuring? The top 10 enterprise-wide metrics are measured by a VoC relationship survey method and by internal company metrics. The measurement and reporting of the CX metrics should take place monthly. So here are the top 10 enterprise-wide customer service metrics used by companies genuinely committed to being customer service-centric:

1. Monthly and annual recurring revenue
2. Average revenue per customer
3. Buying frequency
4. Share of customer's wallet
5. Contact channel frequency

6. Churn rate
7. Customer lifetime value
8. Enterprise net promoter score*
9. Enterprise net retention index*
10. Enterprise customer satisfaction*

*Note: * VoC relationship survey method is used to measure metric*

Being customer service-centric requires a huge company commitment because to be successful, you need to realize it is a journey and not a one-time project. When front-line and management need to use a different mindset and acquire new skills for delivering a great CX, it necessitates effective reinforcement, measurement, and tracking the success of a customer service-centric culture.

In addition, to measuring CX, you'll need to measure, benchmark, and track employee satisfaction to ensure you capture their feedback and learn about having a customer service-centric culture. SQM's viewpoint is that employees can provide tremendous insights for improving people, processes, and technology to enhance CX. Some of the ways to measure and track employee feedback include:

- Conduct online employee surveys to understand employees' mindsets and views on the companies ability to be customer service-centric.
- Using a short online survey method every quarter, measure, benchmark, and track employee engagement.
- Conduct employee focus groups to discuss how your people, processes, and technology practices impact CX and opportunities to improve.
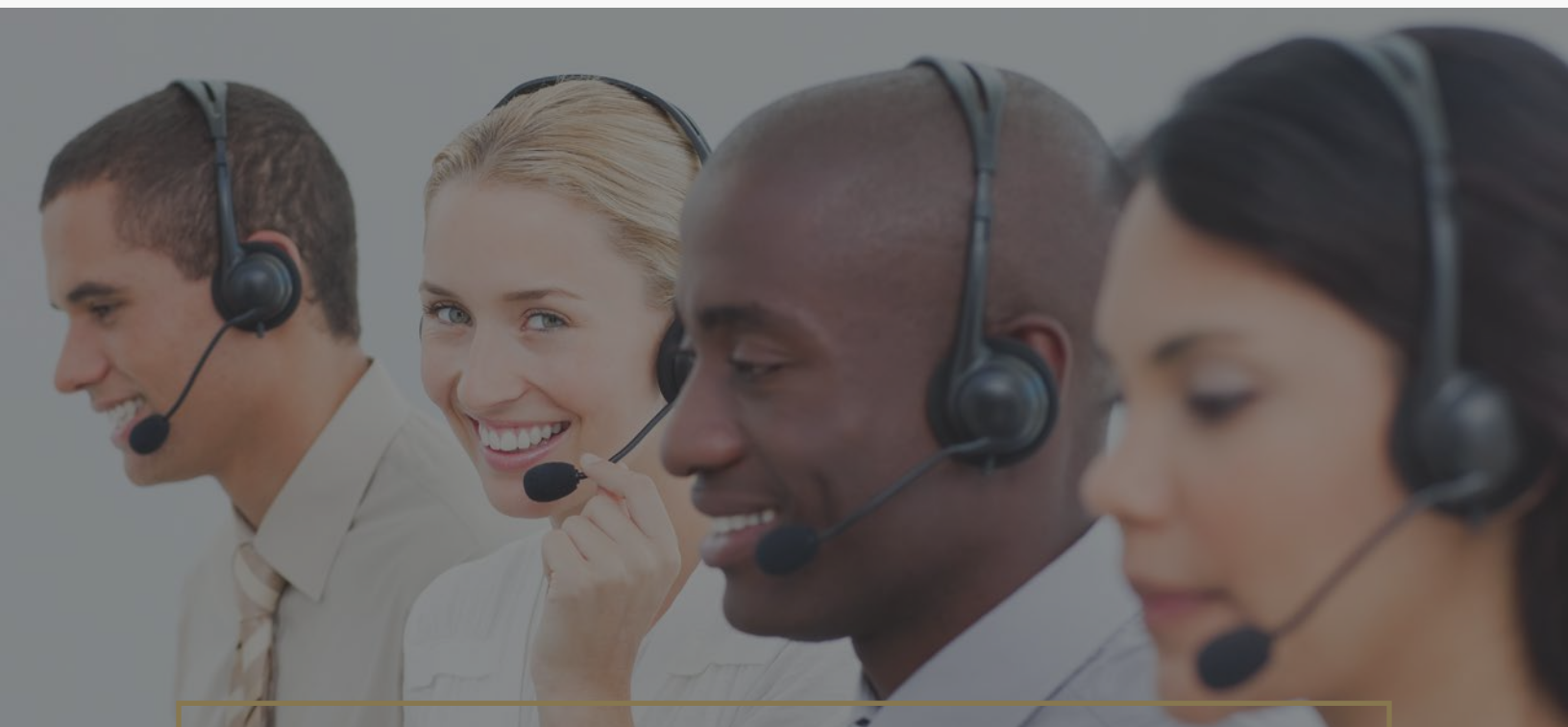
CUSTOMER-CENTRICITY BEST PRACTICES FOR DELIVERING GREAT CX

To successfully implement a customer service-centric culture, contact center leaders must align their people, processes, and technology practices to support their customer-centricity efforts. SQM believes that for a contact center to deliver great CX, they need to have a customer service-centric culture. Our clients who have customer service-centric contact centers use the below best practices to improve or provide great CX.

COACH THE COACH TO IMPROVE CX

Many contact centers claim that their supervisors spend approximately 50% or more of their time coaching Agents to improve their customer's contact center experience and FCR. SQM believes that it is not only the time that is important but the quality of coaching. Mr. Cooper uses a coach-the-coach approach to improve CX. They use a coaching feedback grading form to evaluate and score their coaches' effectiveness by rating them on specific criteria. The coaches are observed by their VP weekly and given a score of 0%-100%. As a result, Mr. Cooper has improved their FCR results by 50% in the last seven years. In addition, they have improved their FCR performance every year since 2013.

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USE HELPDESK AGENTS TO ENHANCE CX

The helpdesk support queue plays a vital role in helping front-line service agents and customers resolve calls. SQM's research clearly shows that if helpdesk calls are managed effectively, CX is enhanced. However, FCR is 19% lower for the average contact center when the call is transferred to a helpdesk agent. At Blue Cross Blue Shield of Massachusetts, agents can reach the helpdesk by calling in and selecting the prompt for the type of team. Once on the line, helpdesk agents will use various methods to help the front-line service agent, including screen sharing and even instant messaging after the call is over to provide extra help. In addition to this, the helpdesk agents can take the call over. Whether it is an escalated request for a supervisor or any call taken over is warm transferred from the front-line service agent to the helpdesk agents. For the last five years, Blue Cross Blue Shield of Massachusetts has been certified by SQM as a world class FCR performing contact center.

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TIE COMPENSATION TO CUSTOMER SERVICE

Contact centers should reinforce a customer service-centric culture through their compensation program. Employees need to have skin in the game. Employees need to know that customer-centric attitudes and behaviors are expected, and there is an element of risk to it. Many SQM clients have implemented a compensation program tying every employee to the customer service outcomes. For example, at Scotia iTRADE, year-end bonus compensation is tied directly to performance appraisals. Scotiabank sets base salary increases and bonuses parameters based on a weighted scorecard of bank-wide performance, business-level performance, and individual employee rating. FCR and Csat form a significant portion of an agent's and team manager's performance rating and compensation. As a result of Scotia iTRADE compensation practices, their number of world class agents has increased by 340% over three years and five consecutive years of FCR and Csat improvement.

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HIRE AGENTS FOR CUSTOMER SERVICE ORIENTATION

Identifying candidates who are a good fit for the agent job and have the ability to deliver great CX can be a huge undertaking. However, using a customer-service orientation agent selection process will increase the chances of hiring agents who provide world-class FCR and customer service performance. For example, Canadian Tire holds approximately three to four job fairs throughout the year, soliciting candidates for all positions within their contact centers. In addition, most of their job fairs are explicitly held to solicit friends and family from their current employees who know their culture, understand their values, and live by them every day. As a result, the Canadian Tire hiring practice has played an essential role in their world class FCR performance that they have consistently achieved for the last ten years and winning SQM's contact center of the year award 7 times.

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AGENT CALL RESOLUTION TRAINING
TIPS THAT WORK

In recent years, agent training initiatives have been put under the microscope for determining if the training initiatives have had a positive impact on customer service. As a result, contact centers want an agent call resolution training program that works. At Premera Blue Cross, agent call resolution training uses the following six steps: (1. Introduction to FCR and call resolution and its importance to the contact center, 2. Performance review of the individual agent based on customer survey data, 3. Education on the call resolution delivery, 4. Agent self-assessment of call recordings and survey results, 5. Agent group call calibration using call recordings, & 6. Agent call resolution goals and improvement plan). As a result of the agent call resolution training, 70% of agents who have completed the training have improved their call resolution. On average, call resolution has improved by 8%.

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CALL HANDLING IS ONE OF THE BEST OPPORTUNITIES FOR IMPROVING FCR

SQM's research shows that approximately 40% of non-FCR the agent was the source of error. Furthermore, one of the quickest ways and best opportunities to improve FCR is to improve agent call handling practices. At Canadian Tire, delivering consistently high-quality service experiences is a philosophy woven into the organization's "Customers for Life" culture. Furthermore, they have a sophisticated telephone system to support call routing and an enhanced technology system equipped to securely store all of their customer information. Also, they have a great team of employees who go through extensive, state-of-the-art training and coaching on soft skills where they learn how to acknowledge, question, confirm, and respond appropriately in every customer situation. In addition, there are dedicated teams to handle account retention, insurance retention, disputed transactions, fraud, collections, and customer escalations. As a result, the Canadian Tire hiring practice has played an essential role in their world class FCR performance that they have consistently achieved for the last ten years and winning SQM's contact center of the year award 7 times.

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DESKTOP APPLICATIONS FOR IMPROVING FCR AND CX

Contact centers are so complex that they require many desktop software applications to support agents handling calls to provide FCR and a great CX. The three primary agent desktop software applications essential for consistently delivering FCR and excellent CX are unified desktop application, customer relationship management, and a knowledge management tool. At Comcast, thousands of employees are their organization's face, and they need the right tools and answers at their fingertips to provide a great CX. Because of this fundamental belief, Comcast began a game-changing initiative that will ultimately span over five years: To consolidate more than 20 unique desktop applications into one universal employee application. The goal is to make it easy for agents to resolve a customer inquiry or problem on the first call. As a result, 87% of Comcast employees believe their unified desktop application helps agents succeed.

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LINK EMPLOYEES TO CUSTOMER SERVICE OUTCOMES

Most contact center managers know that motivating agents to use the desired behaviors to achieve great CX is a significant challenge. An effective recognition program will link agents to positive customer service outcomes. For example, Regence BlueCross BlueShield Service Hero program recognizes agents that provide exemplary customer service and FCR. They identify calls that exemplify agents' high-quality service by removing barriers and helping customers navigate health care complexity. The winning calls are heard across the company and are used to make changes that enhance customer experience. Sales executives also leverage Service Hero recognition calls during presentations for new or renewing groups to demonstrate the level of service their employees will receive as a Regence customer. As a result, Regence consistently achieves first quartile FCR and employee satisfaction performance.

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VOC PERFORMANCE MANAGEMENT IS THE NUMBER ONE PRACTICE

SQM has found that contact centers that have implemented an Agent VoC Performance Management System have improved their FCR and CX performance by as much as 10%. Moreover, this FCR improvement can occur in 30 days or less, even in large contact centers. Agent VoC performance management has been the number one practice for improving FCR and CX. Scotia iTRADE VoC Performance Management System is their primary measure of success throughout the contact center, from agents to senior leadership. They are committed to raising the bar with every client interaction, every time. VoC performance metrics are provided to all employees (agents, managers, senior managers) at the beginning of each fiscal year to be reviewed, discussed, and signed off on. In addition, these measures are continuously reinforced throughout the year in team meetings and, most importantly, individual coaching sessions. As a result, of Scotia iTRADE agent VoC performance practices, their number of world class CX agents has increased by 340% over three years and five consecutive years of FCR and Csat improvement.

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CUSTOMER QUALITY ASSURANCE IMPROVES CX

Many contact center managers believe their quality assurance (QA) program improves their FCR and CX. However, very few contact centers can substantiate FCR and Csat improvements due to their traditional QA practices. Therefore, many SQM clients are moving away from their traditional QA program. Instead, they are now using a Customer Quality Assurance (CQA) approach, which combines call compliance metrics, judged by a QA evaluator, and service quality metrics, judged by a customer via a post-call or email customer survey. CQA is based on letting the customer judge their own experience when contacting an organization and is one of the best practices for driving improvements in the FCR rate. For example, at 407 ETR, there has been a visible improvement in results since implementing the new CQA program. As a result, the 407 ETR contact center has 95% world class VoC call resolution and an 85% first call resolution rate. Furthermore, 84% of CQA evaluations meet and exceed customer expectations.

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HIGHER AGENT ENGAGEMENT
EQUALS HIGHER FCR

SQM's agent engagement research data shows that only 27% of agents are highly engaged, 10% are engaged, a whopping 57% are indifferent working at a contact center, and 5% are highly disengaged and at risk of leaving the contact center. Highly engaged agents have substantially higher performance for resolving customer contacts than indifferent and highly disengaged agents. For example, Blue Cross and Blue Shield of Kansas City have world class agent engagement and world class FCR performance. They believe that agent engagement is the most essential business practice for achieving a world-class VoC FCR rate (80%). As a result, the Blue Cross and Blue Shield of Kansas City agent engagement are the highest for the healthcare industry and are at a world-class level (highly engaged agents 60% or higher).

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Higher Agent Engagement Equals Higher FCR

ABOUT THE AUTHOR

Mike Desmarais, MBA is the Founder and CEO of SQM Group. Mike received his MBA from Athabasca University in 2020. Mike has over 25 years of FCR and CX experience working with leading North American companies. Mike is the inventor of VoC First Call Resolution measurement and has written five thought-provoking Call Center FCR books (i.e., World Class Call Center, First Call Resolution, FCR Best Practices, One Contact Resolution, and most recently One Contact Resolution 2nd Edition.) Mike is a popular call center industry FCR thought leader with over 20,000 LinkedIn followers and is considered one of the most influential contributors for FCR and CX in the call center industry.

USA Headquarters
7400 No. Mineral Drive, Suite 600,
Coeur d'Alene, ID, 83815

inform@sqmgroup.com
+1-800-446-2095

Canada Headquarters
200 – 3126 31st Avenue,
Vernon, BC, V1T 2H1