

# THE CALL CENTER AS A STRATEGIC ASSET

Synchronizing the Call Center with Core Business Strategies Delivers Bottom-Line Value Far Beyond Merely Solving Customer Problems

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Ever wonder why so few companies consider their call centers a strategic asset – one that can help boost the bottom line – rather than merely being a necessary evil? This is one of those paradoxes that makes little sense, yet is a widespread business issue.

The call center is, after all, the primary touch point between many companies and their customers (and captive customers, at that). For that reason alone, it would appear to be the perfect venue for a host of opportunities – most importantly, up- and cross-selling and customer loyalty – all too rewarding to pass up. Yet research by Innoveer indicates that many organizations believe otherwise. Innoveer has found that nearly three-quarters of all companies would just as soon not run a call center. They do so only because it is simply one of those business necessities they cannot afford to ignore or because they are forced to by regulatory compliance issues.

As a result, they treat their call centers as poor stepchildren rather than an integral part of their operations. This belief is one of the more perplexing issues Innoveer consultants encounter when helping organizations improve call center effectiveness. A couple of factors are involved here, we suspect. Traditional thinking that the call center is a burden, not a boon, plays a major role in this attitude. In addition, few call centers are aligned with mainstream business objectives, so they simply are not factored into the broader corporate – and, as a consequence, potential sales – picture.

Innoveer has recently witnessed a shift in this type of thinking, one of the more notable results of the rebounding economy. In working with customers in a variety of vertical markets, Innoveer has seen more and more executives challenge the notion of the call center as a corporate liability. Instead, they want to understand how to realize more from their call centers – particularly how they can add value to the company coffers.

### VENDOR PROFILE

#### SAAS CRM Application

Salesforce.com, one of the world's largest CRM vendors – with more than 40,000 customers and over 1 million subscribers – offers its easy-to-use, eponymous application exclusively via SaaS. Originally designed to automate sales, marketing, service and call center practices of small and midsize organizations, Salesforce.com is now used by numerous large enterprises as well, which rely on it to increase customer satisfaction, productivity, revenue growth and business intelligence. Its streamlined customer relationship management functionality is accessible via multiple devices, including the BlackBerry and iPhone. The company also offers AppExchange, a repository of more than 800 compatible applications and add-ons, and IdeaExchange, a user-determined forum for selecting future software functionality.



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As executive mindset shifts in this regard, organizations are now starting to believe in the possibility of making their call centers more effective – in terms of impacting their bottom lines. Of course, proclaiming that they would like to make this strategic shift is one thing, but actually moving in this direction is another matter altogether. However, the rewards of positive business impact from the call center – greater corporate flexibility, increased sales, and happier customers – are well worth the effort.

### DIRECT CUSTOMER CONTACT

Although this is not true in every case – the principal exceptions being retailers and enterprises that handle the majority of their business through the Web – call centers are the central point of contact between many companies and their typical customers. That means it is the one place where customers can experience direct contact.

As we mentioned earlier, this makes the call center a potentially vital corporate asset. The operative word here is “potentially.” Unfortunately, the great majority of companies fail miserably when it comes to making the most of their call centers. Most technical support centers, for instance, are ill-equipped after solving problems to offer customers the opportunity to buy an extended service contract or add-on accessory. That is shortsighted thinking, however. As proven by Bose Corporation and many other forward-thinking organizations, taking advantage of the call center’s unique position as the dominant customer portal can pay off handsomely, but accomplishing this requires making a pragmatic assessment of an organization’s needs.

In assessing the impact that a call center can have on the bottom line, the first question executives should ask is, “how can my organization leverage its call center’s unique position within the customer mindset?” Next, they should address, “what are the principal requirements necessary for my organization to succeed?”

### THE CALL CENTER’S STRATEGIC VALUE

In working with clients to align their call centers with business objectives, Innoveer finds it helpful to consider the following continuum.

EFFICIENCY:	CUSTOMER LOYALTY:	GROWTH:
<ul style="list-style-type: none"> <li>▶ Cost savings</li> <li>▶ Improved margins</li> </ul>	<ul style="list-style-type: none"> <li>▶ More cost-effective service</li> <li>▶ Increased revenue</li> </ul>	<ul style="list-style-type: none"> <li>▶ Larger customer-base</li> <li>▶ Up- and cross-sell to existing customers</li> </ul>

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This continuum focuses on raising the call center level and turning it into a corporate advantage by matching it to an enterprise's strategic goals. Innoveer has relied on this continuum to show executives how they can use their call centers to provide maximum value for their organizations.

As you can see, at the left are the requirements for those seeking an efficient call center that delivers cost savings and improves margins by serving more customers with fewer resources or a scaled down infrastructure. The most effective way for call centers that fit into this realm to contribute to the bottom line is via a small "footprint" — costing the enterprise as little to operate as possible. This attitude is more prevalent within complaint handling help desks than within service delivering call centers.

When Innoveer consultants work with call centers targeting speed of resolution and lowered costs, they try to determine what functional areas require improvement and how to optimize workflow procedures. They then collaborate with call center executives and agents to mitigate between their different goals, streamline processes, and automate front-end processes.

Call centers at the right side of the continuum focus on growth. Here, the idea is to use the call center to bring in additional business, either by selling more products to existing customers or by recruiting new customers. Agents in these types of call centers do not merely sit back and solve customer problems or answer technical questions. When they have a customer on the phone, they take advantage of every cross- or up-sell opportunity possible, pitching an ink cartridge, as an example, to someone who called with a printer problem.

In the middle are call centers that target the preservation of customer loyalty. These companies try to maintain symmetry between efficiency (on the left) and growth (on the right). The critical role of call centers here is to retain existing customers. In this environment, call center representatives must provide first-class customer service in a cost-effective manner, while still meeting stringent customer service levels. We find these types of call centers prevalent in the health insurance market. There, companies struggle with balancing the need to control costs, while efficiently handling insurance claims or answering questions about policy limits and provisions at the same time. Call centers that fail in this balancing act increase the likelihood that a subscriber will switch to a competitor.

The point of all of this — once again — its to understand how to set up a productive and profitable call center, and to do this, organizations must completely understand current business needs. For example, in the insurance industry where customer loyalty is critical, the questions call center

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executives must address include, “how well are we providing service today,” “how rapidly are we responding to claims,” and “how efficient is the process to enroll new subscribers?” When health-care executives are able to accurately and completely answer these questions, their call center and business is in good stead. On the other hand, if the answer is “no” – and the company responds slowly to claims – current subscribers are likely to defect to another provider at the next open enrollment.

### IT IS RELATIVE

What this means is that call center executives must be keenly aware of not only where their enterprise fits within the continuum, but how the prevailing economic climate affects their company's strategic business requirements. For instance, in an expanding market, it makes more sense to move toward the right of the continuum, giving call centers the tools to help find and secure new customers – a trend Innoveer now witnesses frequently.

In making these kinds of decisions, call center executives should determine the nature of their business needs and how the call center can successfully meet those requirements. They can then determine the gap between their call center's internal capabilities and their business goals and identify how to close those gaps. All too often, Innoveer has found itself working with call centers that are playing catch up in this regard. While that may be the bad news, it is also the good news: that means they have plenty of opportunity to increase their call centers' business value.

One area ripe for improvement is integrating back office applications, such as accounting or enterprise resource planning (ERP) systems, with the call center infrastructure. This integration can be particularly crucial in the financial arena. Here, call center agents often have to transfer the call to the financial department to answer customer billing questions. Integrating those types of applications with the call center can provide a more holistic view of customer records and dramatically increase first call resolution.

Integration can also enhance the performance and effectiveness of a manufacturing company's call center. In this environment, offering call center agents access to the company's ERP system can be a crucial factor in answering customer queries about product availability or delivery dates. These types of possibilities are almost limitless. Giving the call center access to existing order information, orders in progress, and open purchase orders all significantly increase customer satisfaction, while also creating new sales opportunities.

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Once you have synchronized the role of the call center with your company's core business strategies as a whole, it delivers the kind of strategic benefits – positive impact on the bottom line and improved customer relations, to name just two – you would expect from any other part of your sales organization. This is the primary objective – when you no longer treat the call center as a necessary evil, it becomes one of your most valuable corporate assets.

### **ABOUT INNOVEER SOLUTIONS**

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.