

START IMPROVING CONTACT CENTER RESULTS BY FOCUSING ON YOUR BACK OFFICE

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The back office isn't traditionally top of mind for contact center leaders. This document highlights why it should be.

What Happens in Your Back Office Impacts Customer Experiences and Contact Center Operational Costs

Impact on Customer Experiences

The contact center is often the first and primary touch-point that customers use when they engage firms to seek support. In January of 2019, Aberdeen surveyed 369 customer experience (CX) and operations leaders across the world to determine the top trends and best practices influencing CX programs. Findings from this study show that improving customer satisfaction is the number one objective driving contact center leader's activities. But what exactly leads to achieving this goal of happy customers?

Survey participants were asked to share the top factors influencing customer satisfaction rates. Table 1 shows that respondents cited repeat contact (due to no resolution) and more than reasonable wait time (for customers to receive support) as equally important culprits exacerbating customer satisfaction rates. The data also reveals that back-office errors and delays are the second top reason why customers are unhappy.

Table 1: Back Office Has a Direct Impact on Customer Experiences

Top Factors Generating Customer Dissatisfaction*	Operations / Back-Office Professionals
Customers need to contact the business repeatedly for issue resolution	29%
Longer than average hold times	29%
Back-office errors and delays	27%
Misalignment between products / services and customer needs	26%
Customers need to repeat themselves (share the same information) when they need to contact us from a different channel	24%

% of respondents, n=369, Source: Aberdeen, April 2019

*Note: This was a multi-choice question that allowed respondents to cite more than one factor influencing customer satisfaction results.

Alleviating issues related to problems and delays in your back office can help drive cost savings and improve customer satisfaction.

Decreasing traffic in your contact center by 17% — through better-managed back-office activities — can help accomplish this.

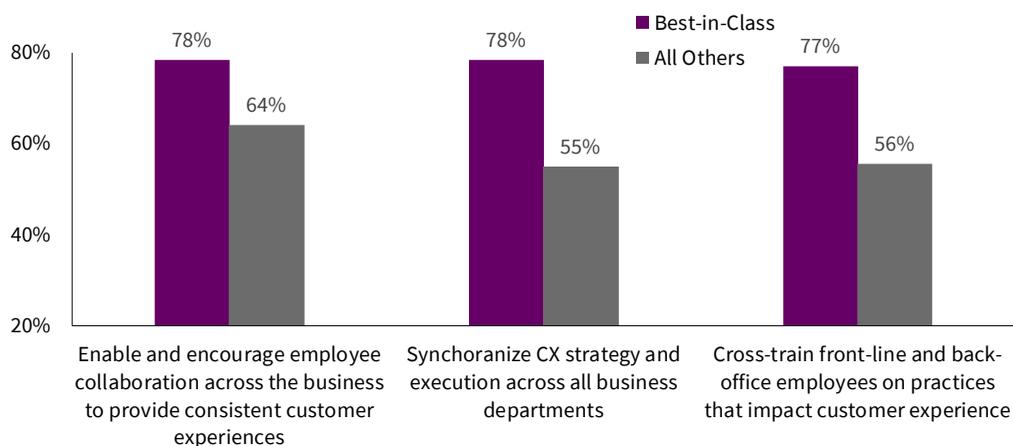
Influence on Contact Center Operational Costs

Another Aberdeen survey of contact center leaders (*State of the Contact Center 2019*, April 2019) provides further context as to how the back office can help contact center leaders create happy customers. Specifically, contact center leaders participating in this study reported that on average, 17% of contact center traffic (e.g., phone calls, chat sessions, and emails) is related to back-office issues like checking up on the status of an insurance claim and delays in loan approvals.

Contact center leaders too often focus on treating the symptoms of customer complaints, such as first contact resolution rates, average handle times, and service-level-agreement (SLA) compliance. They are also increasingly focused on minimizing customer effort by making it easier for clients to seek and receive support. While these are all important activities, we recommend contact center leaders adopt a more proactive approach and address the cause of these complaints.

Savvy organizations adopt a more holistic view of managing customer experiences across the company. This approach focuses on managing both contact-center and back-office activities through a customer-centric perspective, simultaneously. Figure 1 shows that Best-in-Class companies (see sidebar) are 42% more likely to have such a synchronized CX strategy across all business departments (78% vs. 55%).

Figure 1: Top Performers Manage CX Through All Departments



Percent of respondents, n=369
Source: Aberdeen, April 2019

Figure 1 reveals that in addition to aligning back-office activities with the CX activities in the contact center and elsewhere in the business, 78% of top performing firms also enable and encourage employees across all departments to communicate and collaborate. This capacity means that these

Best-in-Class Results

Aberdeen used five metrics to gauge the performance of the 369 firms participating in our CX survey. The results of the Best-in-Class and All Others follow:

- ▶ Customer retention:
Best-in-Class: 82% vs.
All Others: 53%
 - ▶ YOY improvement in customer satisfaction:
Best-in-Class: 37.5% vs.
All Others: -1.5%
 - ▶ YOY improvement (decrease) in response time to customer requests:
Best-in-Class: 54.2% vs.
All Others: -0.3%
 - ▶ YOY improvement in annual company revenue:
Best-in-Class: 45.2% vs.
All Others: 2.8%
 - ▶ YOY improvement in average customer profit margin:
Best-in-Class: 23.5% vs.
All Others: -4.0%
-

firms aren't just aiming to make the back-office a part of their CX programs, they also providing employees in the back-office *and* the front-office (contact center, sales, marketing, and commerce) with the tools they need to manage customer experiences seamlessly.

Let's do a quick analysis to clarify further why contact center leaders must start their journey to improve performance by establishing a customer-centric back-office. In our example, a contact center incurs \$10 million in annual, variable, customer service costs. These expenses include agent labor, telephony, and technology costs, such as the number of minutes through the interactive voice response (IVR) system. Decreasing back-office-related customer requests by 50% (17% of all contact center traffic) would help this company to achieve \$850 million in cost savings ($\$10 \text{ million} \times 17\% \times 50\%$). Even more importantly, these costs savings will occur each year. Since customers will continue to need back-office services, companies will enjoy these annual cost savings — as long as they deliver superior customer experiences by effectively managing back-office activities. This example means that our assumed contact center — working with a customer-centric back-office organization — would enjoy \$8.5 million in cumulative, customer-service-cost savings over five years.

Key Takeaways

Contact center leaders spend too much time concerned with driving operational efficiency amidst the continuously increasing number of customer interactions across all channels (e.g., phone, web, and email). Savvy businesses adopt a more focused strategy. They establish a truly customer-centric back-office that minimizes errors and delays, thereby, reducing related, contact-center traffic due to customer complaints. This approach, in turn, helps to reduce the number of interactions related to back-office issues while allocating more resources and effort to deliver top-notch service to address remaining issues.

If you don't currently have such a customer-centric back-office organization, we highly recommend you consider taking the necessary steps to transform your back-office. Doing so will help you decrease customer service costs. You will also align your activities with that of the Best-in-Class, and hence will be more likely to improve your customer satisfaction rates and boost your client loyalty.

About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide to improve their performance. Our analysts derive fact-based, vendor-neutral insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategies. Aberdeen Group is headquartered in Waltham, Massachusetts, USA.

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