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THE FUTURE OF CX DELIVERY: APPLYING THE LEARNINGS FROM COVID-19

A Frost & Sullivan Virtual Think Tank

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Virtual Think Tank Participants:

David Claiborn,
Director Design & Innovation,
United Health Group

Vinatha Kutagula,
Vice President Member Success,
Credit Karma

Jay Kershner,
Vice President Customer Service,
Molekule

Aurore Metay,
Global Customer Experience Manager,
Ceva

Farrah Moore,
Director of Support,
BetterHelp

Lex Lannom,
Managing Director,
FedEx

Jim Radzicki,
Chief Technology Officer,
TELUS International

Frost & Sullivan, in cooperation with TELUS International, recently invited seven customer experience (CX) executives to discuss how the learnings from the COVID-19 crisis will improve the future of CX design, delivery, and the agent experience (AX). Here are some highlights from the conversation between the thought leaders and moderator, Alexander Michael.



THE “NEW NORMAL” FOR CX OPERATIONS WILL BE AN OFFICE-HOME HYBRID

The thought leaders agreed that 2020 had redefined their workplace and CX thinking. Several thought leaders had been firmly rooted in co-location as a vital collaboration driver and had to change the culture, almost overnight, to thrive with remote and distributed teams. Distributed teams working from home became the new normal, but many still will want to resume on-site operations with the right social distancing and safety measures in place. There was consensus that a hybrid model would prevail, and the thought leaders did not expect everyone to return to the office.

Lex Lannom, Managing Director at FedEx, did not envision a model where either direct employees or agents from CX partners would ever go back to a 100% in-center model: “I think we all got a hall pass in March when the world changed and we weren't prepared. We won't get that hall pass again.”

Jay Kershner, VP Customer Service at Molekule, had made plans to work from home through the rest of the year as the standard operating policy and thought the majority of Bay Area businesses would follow that model.

Farrah Moore, Director of Support at BetterHelp, also based in the Bay Area, felt that the cost of real estate would definitely factor into her definition of the “new normal,” and BetterHelp will, potentially, let all in-house teams work remotely. Initially, BetterHelp had the same concerns as everyone else about team dynamics, engagement, and productivity. Because BetterHelp has made a success of remote working, persuading people to come back to the office could be difficult. In fact, the discussion has changed from getting people back to creating different shifts that work better remotely. If BetterHelp wants to save on real estate in the future, Moore feels this would be a logical decision for her team.

Vinatha Kutagula, VP Member Success at Credit Karma, feels that working from home opened up the human side of the business: “I definitely think the pandemic was an eye-opener for all of us, creating the right flexibility in terms of work-life balance, hours of operation, and helping parents who are juggling work and life.”



CLOSER AND BETTER COLLABORATION WITH CX PARTNERS

Many thought leaders expressed that an unbiased partnership with their CX outsourcing providers had been crucial to the realization of consistent business continuity plans. Businesses looked to their partners to help determine the new operating environment (e.g., the optimal mix between work at home agent (WAHA), in-center, in-house, and outsourcing).

Lex Lannom found that the new operating environment varied greatly, depending on the geography. FedEx has sites in some geographies where working from home was not a good option. In contrast, the home environment was desirable in other geographies, both from an outsourcing and an in-house perspective.

Kershner felt geography had also created technology problems for individuals working from their home office, where the environment was less robust than it might have been in the States. Imperfect internet connectivity and voice quality create CX challenges.

Lannom also shared that, historically, FedEx had been disciplined about the structure of its agreements, including the scope of work and SLAs. Lannom was impressed with the flexibility of his partners; FedEx has excellent partners, including TELUS International. He felt there was a real team effort in March with none of the “us vs. them” mentality and everybody getting back on their feet, no matter what it took.

Lannom would not have accepted some of the process changes and associated risks six months ago, but he had no choice: “I think we've proven that there's no cookie-cutter way of doing things. There's a much more open approach to how we look at our agreements with our outsource providers and how we do things in our core business.”

Kutagula was on the same wavelength, expressing how thankful she was that her CX partners had been super nimble, flexible, and are rising to the occasion.

Moore shared that she did not let go of her SLA. Given the behavioral health mission of BetterHelp, she did not want to lower standards during a time of need. Consequently, the team, including herself, rolled up their sleeves to handle as many interactions as possible, sometimes three times their general threshold.

EMBRACING NEW TRAINING PARADIGMS TO SUPPORT THE WORKFORCE

The thought leaders had all become reasonably comfortable with remote training, although remote tools and virtual training programs required some serious pivoting.

A director of customer care used to accomplish hiring, onboarding, and training 100% in-office and felt that 100% remote training was a challenge that he had not quite cracked yet. One

thought leader recommends quick quizzes at the end of every training day or session, asking light questions to keep people engaged, less talk, and more practice.

Likewise, Lannom was used to an all in-classroom training environment and had also experienced training as one of his biggest challenges. He thinks that one of the long-term projects to be developed as a result of COVID is to make digital, remote-delivery training available to all lines of business.

The thought leaders recognized that new training paradigms were emerging, with much greater emphasis on self-paced training.

Kutagula shared that Credit Karma had completely pivoted from instructor-led training to self-paced training, whereas, in the past, only 20-30% of training would have been self-paced. In addition to these virtual training programs, Credit Karma is also creating a “buddy” system, with multiple one-on-one check-ins and daily stand-ups as groups.

Jim Radzicki, Chief Technology Officer at TELUS International, a global digital CX provider, suggested that remote training provided an opportunity to improve learning overall by adapting structure and timing. For example, four weeks of continuous at-home online training is not optimal compared to offering smaller modules balanced by hands-on practice. Organizations can get very creative potentially with much better results.

The thought leaders were optimistic about recruitment and did not feel recruiting directly to home constituted a problem.

In Lannom’s opinion, the work-from-home option gives access to a bigger and possibly better-qualified pool of applicants that would not have been amenable to the requirement that they come into the office for a fixed shift every day. Several thought leaders agreed that, as organizations rethink where people are hired from and where they will work, being able to recruit people from different locations who are not tied to one city or area opens up a realm of new possibilities and capabilities.



Kutagula is actively recruiting directly to home. Those capabilities are a must-have, and all new Credit Karma staff since March have been 100% recruited to home (at the time of this Think Tank in July 2020).

Naturally, when you recruit directly to home, it is crucial to authenticate candidates, making sure the correct individuals show up to interviews, onboarding, and training. TELUS International is fine-tuning its remote recruiting process, getting it down to about 125 minutes beginning to end to support rapid CX program ramps if required, enabled by some light biometrics for screening and verifying individuals when appropriate.

One participant felt that technology tools and equipment added an extra layer of complexity with new-hires. If his organization has entry-level positions, it might hire 10 candidates, and two weeks later, three of the new-hires might be gone. In that situation, should a company provide the equipment, or should new-hires bring their own?

EMPATHY MEANS “FUTURE-PROOFING” CUSTOMERS’ PROBLEMS

The thought leaders had an exciting discussion about the tactical goals of their CX operations, and the conversation gravitated toward two phenomena: effort and empathy. Grounded in basic customer satisfaction concepts, a specular way to rethink the old notion of call deflection is to adopt a proactive approach – not to deflect the next call but to prevent it from coming in, in the first place.

Kershner expressed how Molekule, regardless of channel, would try to find ways to: “future-proof their problems and help anticipate questions they may have in the future and offer assistance in that way so that we can prevent contact in the future.”

Kutagula agreed. Looking to minimize customer effort, Credit Karma emphasizes the self-sufficiency of its agents and agent environment to achieve first-contact resolution, which hinges on agent knowledge and empowerment. Ensuring agents have the right tools and expertise to resolve issues is one part of the equation. Still, Kutagula also stresses that agents must focus on case deflection strategies and self-service. A key metric that has come back is contact rate. Kutagula wants to continuously reduce the contact rate and make it a KPI for product teams to enhance automation and member experience at the same time.

Radzicki suggested that most employees internalize a culture of minimal customer effort by working in a center but wondered about agents hired directly to home and whether anyone had measured the difference. Will the great WAHA KPIs we see right now, including even higher employee engagement in some cases, hold into the future?

Moore hired 15 people during the pandemic, and the KPIs have been “pretty fantastic.” However, agents tell her they miss the personal interaction, and she is sensitive to that because

communication is a big part of BetterHelp's culture as a mental health brand. Ultimately, it is a partnership. Organizations must do more to help their people during this time, and the employees must understand that their end of the bargain is to return excellent KPIs and live up to the SLAs. Moore has an US HQ-based team, and that creates a KPI struggle for her: "They start to feel like a number when they're being measured so heavily on the numbers they provide."

Actions speak louder than words, and Moore would define empathy as thinking ahead, showing that you care through the actions you take. It is more than saying you are sorry: empathy is being more proactive and blends in with the effortless approach discussed by Kershner.

After Credit Karma completed the initial adjustment stage of working from home, productivity shot up and its CSAT came back. Kutagula feels there should be more emphasis on empathy in training. And that must tie in with compassion for the agents, e.g., through more robust employee health programs and support groups where employees feel safe to express themselves.

DIGITAL TRANSFORMATION ACCELERATES

A director of customer care felt that the digital transformation roadmap at his organization had not changed. Instead, it accelerated what the company already had in mind: "One of our projects was to look into cloud solutions instead of the on-premise solutions that we currently have. Now we feel it's more urgent than ever ... for our agents to work from home when necessary."

The leading web development company is looking to harness artificial intelligence to complete the simple interactions that still absorb a lot of agent time. In his business, the thought leader feels that 50% of interactions are simple enough to be addressed by a chatbot.

In Frost & Sullivan's experience, organizations with simple offerings can achieve an even higher degree of automation, upward of 80%. Frost & Sullivan believes it is vital to consider the digital transformation roadmap in the context of resilience and agility. We need to take another look at the technology that is already available, and automation will play a significant role.



THE LAST WORD

Given the diverse range of industries our thought leaders represented, the level of consensus they displayed was extraordinary. AX is the new CX; most organizations have recorded positive feedback from agents and customers despite the upheaval, but organizations must increase the investment in managing, assisting, and empowering agents.

It was clear the thought leaders had learned a lot of lessons from COVID and were already executing on revised strategies that will pay substantial dividends soon. In the words of one thought leader, we will get no more “hall passes” and must be prepared for the next emergencies.

Processes, technology, SLAs, and KPIs will all come into play, and stronger relationships with CX partners will be essential.

The notion of empathy as showing customers we care through action rather than just words was a stand-out takeaway from the discussion. A proactive approach to customers' problems, ensuring problems will not reoccur in the future, is the ultimate way to improve CX, AX, CSAT, contact rates, and myriad other KPIs.

NEXT STEPS

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