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CX PAST THE PANDEMIC: @HOME @OFFICE @DIGITAL

A Frost & Sullivan Virtual Think Tank

By Alexander Michael, Senior Director of Consulting, Frost & Sullivan

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 **TELUS** International

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Virtual Think Tank Participants:

Renee Martin
VP, Global Customer Care
First Advantage

Ben Segal
Associate Director of Infrastructure Efficiency
Freshly

Rachel Quilatan
VP, Sales Center
1-800-Got-Junk

Jason Spencer
Manager, BPO
Kohl's Department Stores

Jim Radzicki
Chief Technology Officer
TELUS International

In cooperation with TELUS International, Frost & Sullivan recently invited five customer experience (CX) executives to discuss how the COVID-19 crisis will affect the future of CX design, delivery, and operations. Here are some highlights from the conversation between the panelists and moderator, Alexander Michael, Senior Director of Consulting, Frost & Sullivan.

Frost & Sullivan believes pivoting will be an essential skill for CX practitioners. They must pivot to manage their internal operations due to the impact of COVID-19, and pivot to harness the critical role their CX outsourcing partners play in contingency planning.

That said, Frost & Sullivan has witnessed an inconsistent ability by many organizations to meet offshore challenges between types of work and specific locations. The large international outsourcers appear to have done the best job of keeping operations going. But regardless of size, or whether support is captive or outsourced, organizations will have to maintain flexibility as an essential policy in contracts and standards if they want to maintain meaningful customer experiences during a crisis.

Further, a host of new mechanisms will begin affecting both the customer and the contact center experience. Consumer use of bots, chat, and automated attendants for online purchasing and customer support will likely increase. And in the contact center, personal protective equipment (PPE), sanitization protocols, COVID testing, and spacing/physical distancing will be the new norm alongside more WAHA options. Outsourcing contracts will need to take all of this into account.



WORKING FROM HOME, A REWARD

Ben Segal, Associate Director CX at Freshly, expressed what many CX practitioners have been feeling: “We’ve been operating just fine without having a physical space.” When COVID forced everyone at Freshly to work from home, it went so well that the CEO decided to shut one location and delay reopening another. Agents at Freshly are “loving it,” according to Ben, and a lot of them have invested in higher bandwidth and home office furniture, partly subsidized by the company. Reducing real estate is emerging as an essential theme for some.

However, it is not always as simple as that. Renee Martin, VP of Customer Care at First Advantage, shared that she has contractual obligations to have offices and to have employees in those offices. Renee expects to have a portion of her agents returning to work in the office. She and her team are implementing a phased approach. They are reworking office space to allow for social distancing and are assessing how face masks and other PPE will be incorporated, given that the majority of team members are on the phones all the time.

From a regular day-to-day operations perspective, First Advantage does not have plans to introduce fundamental changes. This is echoed by the other thought leaders who shared the expectation that the basic operational model was not changing as a result of COVID-19.



Another common thread that emerged amongst the thought leaders is that companies will probably not extend a blanket invitation to work from home but treat it as a reward. In Frost & Sullivan's opinion, contact center agents' performance is subject to the most multifaceted tracking of any group of workers. Employers are always struggling to come up with meaningful rewards. Allowing the agents who are higher performing to remain working from home would be significant. Trust and proficiency are crucial, and lower performing agents or agents who are not yet fully proficient in their role would benefit from being in an office environment where more hands-on supervision is available.

Even when companies experience a burst in CX activity, the philosophy has changed from getting agents back as quickly as possible to enabling agents to stay away for as long as performance meets or exceeds objectives.

Although it looks like a quarter of in-house agents might be remote in the long term, the same may not necessarily apply to BPOs. Outsourcers with multiple locations in multiple geographies can rebalance loads in response to a localized crisis.

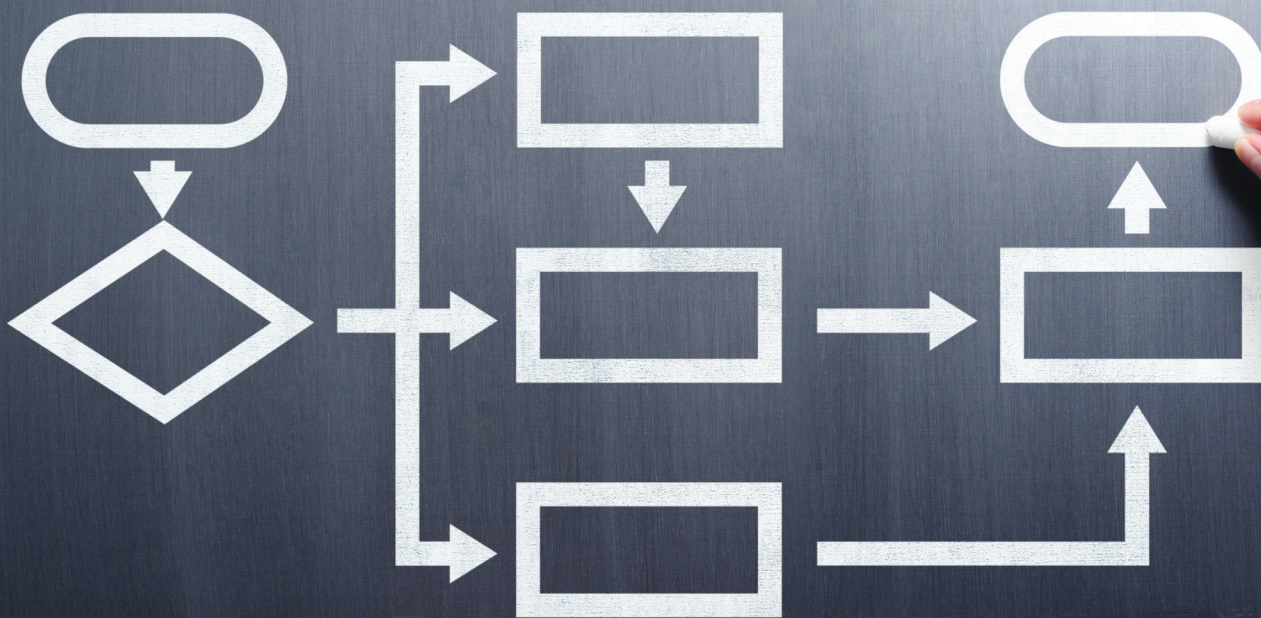
Although it looks like a quarter of in-house agents might be remote in the long term, the same may not necessarily apply to BPOs. Outsourcers with multiple locations in multiple geographies can rebalance loads in response to a localized crisis. Most reputable BPOs already have contingency plans in place not only for localized emergencies but also for specific client contingencies. Frost & Sullivan sees that many clients will be reevaluating current contractual agreements to address an unavailable workforce's previously unthinkable scenario. SLAs will need to be based on the achievement of outcomes rather than narrow performance indicators.

BREAKING UP THE WORKFLOWS

An emerging recovery challenge shared by most of the thought leaders in the panel is the analysis of which tasks in a workflow must be performed in an office. Leaders are grappling with breaking up the workflows into functions that are off-limits for remote handling (e.g., the PCI portion of credit card payments), and those that are more suitable to remote working.

Jim Radzicki, Chief Technology Officer from TELUS International, had an impressive view on this. As a digital CX provider, TELUS International supports hundreds of different clients around the world and has been able to compare trends. Across the board, the metrics have been performing well, and some clients want to go wholesale down the Work at Home Agent (WAHA) path. However, most TELUS International clients are selective, with critical lines of businesses – or essential functions – they want to get back into the office because of the scrutiny and required supervision. Jim summed it up: “Everyone is certainly rethinking the way they organize work and working from home, or working from anywhere, is a piece of everyone's puzzle.”

In some cases, legacy technology issues dictate choices. Some organizations find they have applications they cannot get to function remotely. In this case, the CX leaders and their technology counterparts are attempting to modify the workflow so that operating a specific application becomes a separate in-office task, with remaining team members performing the balance of the workload from home.



AGENT ENGAGEMENT MAINTAINS CULTURE AND DRIVES QUALITY EXPERIENCES

The thought leaders discussed the usefulness of internal satisfaction surveys to check how happy and engaged staff members are. Understanding what problems teams run into or what things are not working, and looking at the data regularly helps identify what employees are missing by not being together in one place. Agent Experience (AX) is the new CX.

Those CX practitioners who measure empathy as part of their quality assurance programs have seen those scores go up. Some thought leaders felt it was because the engagement between team members was now deliberate rather than casual.

Rachel Quilatan, VP Sales Centre of 1-800-GOT-JUNK?, found that the company's people-first culture helped it pivot, and the importance of culture is recognized by most CX practitioners. According to Rachel: "The biggest piece is really to engage our frontline and understand what it means to them to feel connected. We've created something we call our agent satisfaction emoji, asking agents to press a happy, neutral, or sad face at the end of the day, similar to the buttons you press to express your opinion of an airport washroom." Rachel's Toronto-based WAHAs are the ones clicking the happy face most often, and this is a trend Frost & Sullivan recognizes from other major cities.

So many people are focused on the technology, but it is human nature to want to meaningfully engage remotely – and that is the real phenomenal story behind the scenes.

TELUS International also observes that agents are happy to work from home. Moreover, the company is proud of its strong culture that, in 2019, translated into an 85% employee engagement score. TELUS International enabled 22,000 people to work from home in just 22 days and immediately saw the engagement scores rise. Within three days, the teams were already on Google Meets doing dress-up Fridays and other team-building events. Now, TELUS International is up to over 90% of its global frontline team members work-at-home enabled while maintaining cultural engagement. "However you measure it, engagement scores remain high; it feels like a real human nature story," says Jim Radzicki. "So many people are focused on the technology, but it is human nature to want to meaningfully engage remotely – and that is the real phenomenal story behind the scenes."

Everyone has found it hard to replicate the team spirit and the healthy competition typical of the CX industry. We miss out on the camaraderie that comes with being around people in the office, but the thought leaders have realized that grand gestures are not the key to success. One thought leader summed it up like this: "It's those little things that typically cost you nothing. Just doing them and doing them consistently."

NEW RECRUITMENT AND TRAINING STANDARDS, HARNESSING LEARNING BY ENCOURAGING COLLABORATION

All CX leaders agreed that culture is key to stabilizing CX programs and workforces in a crisis, but maintaining a strong corporate culture must be carefully nurtured with the right tools. Renee Martin shared that she has invested heavily in her recruitment and training programs. It has paid off because First Advantage has much lower attrition in its CX organization than you typically see with customer care. And Renee, too, has seen engagement scores and customer experience scores go up, so her team may never go back to the traditional way of doing in-person interviews and in-person training.

Other thought leaders commented on the new training opportunities using digital tools. Freshly's Ben Segal expressed that they have enjoyed "really, really fantastic" results with a training tool called Lessonly used not just for new hires, but for continuing education. Lessonly enables spontaneous lesson and video creation, and it seems agents are paying much more attention to those lessons now. Freshly uses quick quizzes to check the learning.

Even before COVID-19, TELUS International had a completely digital onboarding process to streamline training as much as possible. In just over two hours, a candidate who, perhaps, finds TELUS International on a social media site passes through a virtual onboarding process and an initial interview screening. The company takes photos at each stage to ensure it is the same candidate appearing throughout the process, and it uses remote identification and validation. TELUS International is also looking to enhance its use of biometrics (for example, additional ways to validate biometric voice patterns).

Jim Radzicki believes shift patterns will be more flexible because agents, who no longer need to commute, may prefer to break up the day into shorter shifts and break up the training as well. If someone self-paced wants to train at midnight, they should be able to do so.

There are variations on the onboarding models. One thought leader conducts semi-remote new-hire training, where the new agents are in the office, but the trainer is not. Others noted a squeeze on recruitment, especially offshore, with candidates dropping out of the pipeline due to COVID-19. Because of this, organizations are more open to other geographies that would have been unimaginable pre-pandemic.



COMPANIES WERE ALREADY ON THE PATH TO DIGITAL TRANSFORMATION

It may be counter-intuitive, but the thought leaders did not feel that digital transformation had accelerated due to COVID-19. There was consensus that most companies were already adopting bots, AI, and other self-serve CX options.

Rachel Quilatan is considering allowing customers to self-serve through the IVR, website, or live chat, and she thinks COVID-19 has helped 1-800-GOT-JUNK? make some firm decisions for 2021.

Renee Martin, whose customer base is mixed, stresses the importance of satisfying traditional businesses that do not want to embrace the digital age at top speed. Calling, talking to another human being, the hands-on approach is still very much in demand. However, First Advantage has seen an increase in demand for the instant responses that digital channels offer. The introduction of chatbots in January has been very successful for the company, which has been able to resolve many cases through that channel.

Overall, whether internal or external, bots free up agents to deal with more challenging cases, creating an even more engaged workforce.

Freshly, on the other hand, is an e-commerce company with a mostly young customer base. 18,000 contacts per week – approximately 60% of all contacts – are chats. In Ben Segal's view, 30% deflection represents a good result for an e-commerce chatbot, and the other thought leaders confirmed the 30% benchmark from their industries. Ben does not think higher deflection rates are realistic and that companies that claim to do better are not taking into account those customers who make contact again, through a different channel.

TELUS International employs about 4,500 digital engineers as part of its 50,000 CX and IT team members worldwide, working on a variety of digital applications with bots as one the most requested solutions over the last 18 months. As shared by Jim, TELUS International uses its own internal agent-assisted bots (bots built to help agents source information quickly or suggest the next best response to a customer) to help train the customer-facing bots. Jim thinks agent-assist bots are a necessity now, not a nice-to-have. Overall, whether internal or external, bots free up agents to deal with more challenging cases, creating an even more engaged workforce.

THE LAST WORD

During this panel, the overarching message was one of staying agile and organizing the CX team to have the ability to pivot when necessary. Breaking up workflows for WAHA versus in-office, reinforcing employee engagement, and being proactive with self-service channels were all practical tips the panelists adamantly agreed were the most effective strategies.

Frost & Sullivan expects a lot of cross-learning between CX practitioners and their CX partners. The lessons learned during COVID-19 will be highly useful to enhance the engagement and culture for future generations of CX professionals.

Thank you to our thought leaders for this insightful discussion. In conjunction with TELUS International, Frost & Sullivan is honored to offer these thought leadership sessions several times a year. Request an invite to our next virtual session!



NEXT STEPS

- Schedule a meeting with our global team to experience our thought leadership and to integrate your ideas, opportunities and challenges into the discussion.
- Interested in learning more about the topics covered in this white paper? Call us at 877.GoFrost and reference the paper you're interested in. We'll have an analyst get in touch with you.
- Visit our Digital Transformation web page.
- Attend one of our Growth Innovation & Leadership (GIL) events to unearth hidden growth opportunities.
- Learn more about our sponsorship partner for this Virtual Think Tank, TELUS International – telusinternational.com

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